



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

(於中華人民共和國註冊成立的股份有限公司)

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

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

2025

INTERIM REPORT

中期報告



IMPORTANT NOTES

- I. **The Board and the Directors, and senior management of the Company guarantee that the content of this interim report is true, accurate, and complete without any false information, misleading statements or material omissions, and severally and jointly accept legal responsibility for the above.**
- II. **All Directors of the Company have attended the meetings of the Board.**
- III. **This interim report has not been audited.**
- IV. **Han Yaodong, the person in charge of the Company, Teng Hongmeng, the person in charge of accounting work and Teng Hongmeng, the person in charge of the accounting firm (accountant in charge), have declared that they guarantee the authenticity, accuracy and completeness of the financial statements contained in this interim report.**
- V. **Resolutions of profit distribution or capitalisation of capital reserves of the Company for the Reporting Period passed by the Board**

Pursuant to the resolution adopted at the second meeting of the seventh session of the Board of Directors, the Company is proposed to distribute profits based on the total share capital registered on the record date in respect of the implementation of equity distribution in the first half of 2025. A cash dividend of RMB1.80 per 10 Shares (tax inclusive) will be distributed to all Shareholders. As of 27 August 2025, based on the total share capital of 4,473,429,525 Shares, the proposed cash dividend amounts to RMB805,217,314.50. The cash dividend for the first half of 2025 represents 31.45% of the net profit attributable to ordinary shareholders of the listed company after deducting perpetual bond interest for the period. This profit distribution does not include bonus shares or capitalization of capital reserve.

If the total share capital changes before the record date for the equity distribution, the total dividend amount will remain unchanged, with corresponding adjustments to the distribution per share, and specific adjustments will be announced separately. This profit distribution plan falls within the authority delegated by the 2024 Annual General Meeting to the Board of Directors and is within the validity period. After review and approval by the Board of Directors of the Company, this profit distribution plan does not need to be submitted to the general meeting for deliberation.

VI. Declaration on risk from forward-looking statements

☒ Applicable ☐ N/A

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

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

No

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

No

IMPORTANT NOTES

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

No

X. Important risk warnings

During the Reporting Period, the Company had no matters that involve significant risks. The Company has described in detail the risks that it may be exposed to in this report. Investors are directed to the relevant content in Item (I) “Potential Risks” of V. “Other disclosures” of Section 3 “Management Discussion and Analysis” of this report.

XI. Others

☐ Applicable ☒ N/A

XII. The Company prepared this interim report in both English and Chinese languages. In the event of any discrepancies between the English version and the Chinese version of this interim report, the Chinese version shall prevail.

XIII. In this interim report, the discrepancies in the decimal place between the sum of the amount of each sub-item and the grand total are due to rounding to the nearest integer.

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SECTION 1 DEFINITIONS

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

DEFINITION OF FREQUENTLY USED TERMS

“A Share(s)”	the domestic share(s) issued by the Company to domestic investors with a nominal value of RMB1.0 each, which are listed on the Shanghai Stock Exchange
“Articles of Association”	the Articles of Association of Shandong Gold Mining Co., Ltd.
“Board” or “Board of Directors”	the board of Directors of the Company
“Cardinal”	Cardinal Resources Limited (卡帝諾資源有限公司)
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules
“Changtai Mining”	Inner Mongolia Shanjin Changtai Mining Co., Ltd. (內蒙古山金昶泰礦業有限公司)
“Chifengchai Mine”	Chifeng Chaihulanzi Gold Mining Co., Ltd. (赤峰柴胡欄子黃金礦業有限公司)
“Company Law”	the Company Law of the PRC (中華人民共和國公司法)
“Controlling Shareholder”, “SDG Group” or “Group Co.”	Shandong Gold Group Co., Ltd. (山東黃金集團有限公司)
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Dongfeng Exploration Permit”	the exploration permit of the gold mine of Dongfeng mine deposit in Linglong mine area, Tianlijiazhuang, Zhaoyuan, Shandong Province (山東省招遠市玲龍金礦田李家莊東風礦床) (general exploration)
“Dongfeng Mining Permit”	the mining permit of Dongfeng mine area of Shandong Gold Group Co., Ltd. (山東黃金集團有限公司東風礦區)
“Fujian Yuanxin”	Fujian Province Zhenghe County Yuanxin Mining Co., Ltd. (福建省政和縣源鑫礦業有限公司)
“Gold Geological Exploration”	Shandong Gold Geological Mine Exploration Co., Ltd. (山東黃金地質礦產勘查有限公司)
“Group”	the Company and its subsidiaries
“Guilaizhuang Company”	Shandong Gold Guilaizhuang Mining Co., Ltd. (山東黃金歸來莊礦業有限公司)
“H Share(s)”	the overseas-listed foreign invested share(s) in the Company’s share capital, with a nominal value of RMB1.0 each, which are listed on the Hong Kong Stock Exchange
“Heihe Luoke”	Heihe Luoke Kuangye Kaifa Ltd. (黑河洛克礦業開發有限責任公司)
“Hong Kong Company”, “SDG Hong Kong”	Shandong Gold Mining (Hong Kong) Co., Limited (山東黃金礦業(香港)有限公司)
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Jiaojia Gold Mine”	Jiaojia Gold Mine, Shandong Gold Mining (Laizhou) Co., Ltd. (山東黃金礦業(萊州)有限公司焦家金礦)
“Jilin Banmiaozi”	Jilin Banmiaozi Mining Co., Ltd. (吉林板廟子礦業有限公司)
“Jinmao Mining”	Yantai Jinmao Mining Co., Ltd. (煙台市金茂礦業有限公司)
“Jinzhou Company”	Shandong Jinzhou Mine Group Co., Ltd. (山東金洲礦業集團有限公司)
“Laixi Company”	Shandong Gold Mining (Laixi) Co., Ltd. (山東黃金礦業(萊西)有限公司)
“Laizhou Company”	Shandong Gold Mining (Laizhou) Co., Ltd. (山東黃金礦業(萊州)有限公司)
“Linglong Gold Mine”	Shandong Gold Mining (Linglong) Co., Ltd. (山東黃金礦業(玲龍)有限公司)

SECTION 1 DEFINITIONS

“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules
“Non-ferrous Group”	Shandong Gold Non-ferrous Metal Mine Group Co., Ltd. (山東黃金有色礦業集團有限公司)
“Penglai Mining”	Shandong Gold Group Penglai Mining Co., Ltd. (山東黃金集團蓬萊礦業有限公司)
“Qinghai Dachaidan”	Qinghai Dachaidan Mining Co., Ltd. (青海大柴旦礦業有限公司)
“Reporting Period”	from 1 January 2025 to 30 June 2025
“Sanshandao Gold Mine”	Shandong Gold Mining (Laizhou) Co., Ltd., Sanshandao Gold Mine (山東黃金礦業(萊州)有限公司三山島金礦)
“SDG Capital Management”	SDG Capital Management Co., Ltd. (山金金控資本管理有限公司), a limited liability company incorporated in the PRC on 14 November 2012 and a wholly-owned subsidiary of the Company
“SDG Finance Co.”	Shandong Gold Group Finance Co., Ltd. (山東黃金集團財務有限公司)
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shandong Gold” or “Company”	Shandong Gold Mining Co., Ltd. (山東黃金礦業股份有限公司)
“Shanjin International”	Shanjin International Gold Co., Ltd. (山金國際黃金股份有限公司)
“Share(s)”	share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising our A Share(s) and our H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“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
“USD”	United States dollar, the lawful currency of the United States
“Veladero Gold Mine”	Veladero Gold Mine, Argentina (阿根廷貝拉德羅金礦)
“Xihe Zhongbao”	Xihe Zhongbao Mining Co., Ltd. (西和縣中寶礦業有限公司)
“Xiling Gold Mine Exploration Right”	the exploration and prospecting right of the gold mine at Xiling Village in Laizhou City, Shandong Province (山東省萊州市西嶺村金礦)
“Xincheng Gold Mine”	Xincheng Gold Mine, Shandong Gold Mining Co., Ltd. (山東黃金礦業股份有限公司新城金礦)
“Xinhui Company”	Shandong Gold Mining (Xinhui) Co., Ltd. (山東黃金礦業(鑫匯)有限公司)
“Xinjiang Jinchuan Mining”	Xinjiang Jinchuan Mining Co., Ltd. (新疆金川礦業有限公司)
“Xinli Mining Exploration Permit”	the exploration permit of the Xinli Village Gold Mine Exploration, Laizhou, Shandong Province (山東省萊州市新立村金礦)
“Yinan Gold Mine”	Shandong Gold Mining (Yinan) Co., Ltd. (山東黃金礦業(沂南)有限公司)

SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

I. INFORMATION OF THE COMPANY

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

II. CONTACT PERSONS AND CONTACT METHODS

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

III. CHANGES OF BASIC INFORMATION

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

SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

IV. CHANGE OF INFORMATION DISCLOSURE AND PLACE FOR INSPECTION

Name of newspaper designated for information disclosure	China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily
Website for publishing the Interim Report	www.sse.com.cn
Place for inspection of the Company's Interim Report	Office of the Board of the Company

V. INFORMATION OF THE COMPANY'S SHARES

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

VI. OTHER RELATED INFORMATION

☐ Applicable ☒ N/A

VII. MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS

(I) Major Accounting Data

Unit: Yuan Currency: RMB

Major accounting data	For the Reporting Period (January – June)	For the same period last year	Increase/Decrease comparing the Reporting Period with the same period last year (%)
Operating revenue	56,765,895,355.68	45,773,494,698.05	24.01
Total profit	5,483,379,971.67	2,808,667,998.73	95.23
Net profit attributable to shareholders of the listed company	2,808,157,860.93	1,383,466,282.99	102.98
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss	2,809,502,578.83	1,413,655,638.50	98.74
Net cash flows generated from operating activities	10,502,900,464.64	5,779,663,161.40	81.72

	As at the end of the Reporting Period	As at the end of last year	Increase/Decrease comparing the end of the Reporting Period with the end of last year (%)
Net assets attributable to shareholders of the listed company	42,268,162,873.31	37,797,504,973.11	11.83
Total assets	166,019,138,787.86	160,659,954,188.36	3.34

SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

(II) Key Financial Indicators

Key financial indicators	For the Reporting Period (January – June)	For the same period last year	Increase/Decrease comparing the Reporting Period with the same period last year (%)
Basic earnings per Share (RMB/share)	0.57	0.26	120.11
Diluted earnings per Share (RMB/share)	0.57	0.26	120.11
Basic earnings per Share after deducting non-recurring profit or loss (RMB/share)	0.57	0.27	110.96
Weighted average return on net assets (%)	9.81	5.01	Increased by 4.80 percentage points
Weighted average return on net assets after deducting non-recurring profit or loss (%)	9.81	5.14	Increased by 4.67 percentage points

Explanation on the major accounting data and financial indicators of the Company

☒ Applicable ☐ N/A

The net profit attributable to shareholders of the listed company during the Reporting Period as shown in the above table included the interest attributable to the holders of the perpetual bonds of RMB248,029,043.36 during the Reporting Period. After deducting the perpetual bond interest, the net profit attributable to ordinary shareholders of the listed company during the Reporting Period was RMB2,560,128,817.57. The effect of perpetual bonds and their interests is deducted in the calculation of the aforementioned key financial indicators, including basic earnings per Share, diluted earnings per Share, basic earnings per Share after deducting non-recurring profit or loss, weighted average return on net assets and weighted average return on net assets after deducting non-recurring profit or loss.

VIII.ACCOUNTING DATA DIFFERENCES UNDER DOMESTIC AND FOREIGN ACCOUNTING STANDARDS

☐ Applicable ☒ N/A

SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

IX. NON-RECURRING PROFIT OR LOSS ITEMS AND AMOUNTS

✓ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Non-recurring profit or loss items	Amount	Note (where applicable)
Gain or loss on disposal of non-current assets, inclusive of impairment allowance write-off	-4,563,258.95	
Government subsidies included in current profit or loss, other than on-going government subsidies which are closely related to the Company's normal operation, meet the requirements of government policies and are subject to certain limits or conditions	4,005,130.91	
Gains and losses on fair value changes arising from financial assets and financial liabilities held by non-financial entities, and gains and losses arising from the disposal of financial assets and financial liabilities, except for effective hedging transactions that are related to the Company's normal operation	-15,758,494.02	
Capital occupation fee received from non-financial entities included in current profit or loss		
Gain or loss on entrusted investments or asset under management	14,159,408.02	
Gains and losses on external entrusted loans		
Loss of assets due to force majeure events, such as natural disasters		
Reversal of the impairment provision for receivables which is tested individually for impairment		
Gain from the excess of the fair value of the identifiable net assets of investee companies on acquisition of the investment over the cost of investment in the Company's subsidiaries, associates and joint ventures		
Net gains or losses of subsidiaries for the current period from the beginning of the period to the date of combination arising from business combination under common control		
Gains and losses on exchange of non-monetary assets		
Gain or loss on debt restructuring		
One-time costs incurred by the enterprise due to the fact that the relevant business activities has discontinued, such as expenses for relocating employees		
One-time effect of adjustment according to the requirements of tax and accounting laws and regulations on current profit or loss		
One-time share-based payment expense recognized for cancellation and modification of share incentive schemes		
For cash settled share-based payments, gains and losses arising from changes in the fair value of employee compensation payable after the date of exercise of options		
Gain or loss arising from changes in fair value of investment properties under fair value model on subsequent measurement		
Gain or loss incurred by transactions with obviously unfair transaction price		
Gain or loss on other contingencies which are not related to the Company's normal operations		
Entrusted fee income from entrusted operations		

SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

Non-recurring profit or loss items	Amount	Note (where applicable)
Other non-operating income and expenses apart from the aforesaid items	3,722,750.30	
Other gain or loss items falling within the definition of non-recurring profit or loss		
Less: Effect of income tax	6,692,882.39	
Effect of non-controlling interests (after tax)	-3,782,628.23	
Total	-1,344,717.90	

The investment activities conducted by the Company's subsidiary, SDG Capital Management Co., Ltd. (山金金控資本管理有限公司), and its subsidiaries are directly related to its normal operation. Consequently, the Company's management has not classified gains and losses on fair value changes arising from financial assets and financial liabilities held by these subsidiaries, or gains and losses arising from the disposal of financial assets and financial liabilities, as non-recurring profit or loss.

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

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Items	Amount	Reason
Entrusted fee income from entrusted operations	1,886,792.49	

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

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

☐ Applicable ☒ N/A

XI. OTHERS

☐ Applicable ☒ N/A

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

I. INFORMATION ON THE CONDITIONS OF THE INDUSTRY TO WHICH THE COMPANY BELONGS AND MAJOR BUSINESSES DURING THE REPORTING PERIOD

(I) Business Scope

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

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

(II) Operating Model

1. Large-scale production and operation

The Company focuses on the development and utilization of gold mineral resources. By adopting the gold production model of scattered mining and beneficiation and centralized smelting, the Company has utilized the mechanized and large-scale mining equipment, the automated transportation and lifting system, and the intelligent beneficiation technology to realize the large-scale, intensive and mechanized mining of gold resources. The mechanization rate of mining operations in major mines reached over 65%, the mechanization rate of shoveling and transportation reached 100%, and the automation rate of major fixed facilities reached over 95%. In 2025, the Company accelerated the optimization of production systems and key initiatives for four modernizations, such as the "mechanization, informatization, automation, and intellectualization", with total mining volume increasing by 29.36% year-on-year and beneficiation volume increasing by 23.36% year-on-year during the Reporting Period.

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

2. Lean operation and control

The Company has established a lean management philosophy that emphasizes full participation, collaborative efficiency, and continuous improvement, effectively enhancing fine management capabilities, strengthening cost control, and enhancing operational efficiency. With smart operations as the core objective, the Company has implemented flat management in production operations and intelligent and refined management of mines. Currently, the production operation information statistics system has been successfully launched at the dispatch center, and the construction of the production operations control platform under the overall smart operation plan has also officially commenced. Capitalizing on the favorable trend of high gold prices, the Company scientifically calculates economic benefits based on price fluctuations, reasonably adjusts the cut-off grades, and maximizes resource utilization while improving profitability. During the Reporting Period, the recovery rate of comprehensive processing and smelting of mines increased by 0.23 percentage point.

3. Technology and innovation-driven model

The Company insists on in-depth implementation of the innovation-driven development strategy, attaches great importance to improve independent innovation capabilities, and continues to increase investment in technological innovation focusing on the critical common technical challenges that urgently need to be addressed in the current development of the gold industry. Since the “14th Five-Year Plan”, the Company has led or participated in the formulation of 38 national, industry, and local group standards, undertaken (or participated in) 20 major provincial-level or above science and technology projects, obtained 978 authorized patents, and received 176 provincial and ministerial-level or above awards, including 1 National Science and Technology Progress Award and 9 provincial-level science and technology progress awards in aggregate. During the Reporting Period, the R&D investment was RMB372 million, representing a year-on-year increase of 38.30%, and 5 ongoing provincial-level and above research projects.

4. Safe and green development

The Company has solidly carried out the three-year action to tackle the root causes of safety production, implementing comprehensive measures in various aspects such as responsibility implementation, system construction, daily management, safety training, assessment and rewards/punishments, and equipment upgrading, and establishing a long-term mechanism of “source governance + process control”. Adhering to ecological priority and green development, the Company has established and improved the ecological and environmental protection responsibility system, and consolidated and implemented the main responsibility for ecological and environmental protection. It has continuously accelerated the construction of green mines and consolidation and upgrading projects, formulated and issued a carbon peak action plan, and promoted green, low-carbon and high-quality development. The 21 mines operated by the Company have been included in the national or provincial-level green mine list (including 13 national-level and 8 provincial-level mines), achieving a win-win in economic, environmental, and social benefits. During the Reporting Period, relying on the Company’s green mines, SDG Group won the honorary title of “Prize for Outstanding Contribution to Green Mines”.

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

(III) Analysis on Situation of the Company's Industry during the Reporting Period

1. Industry development

The current international environment is undergoing profound and complex changes, with increasing uncertainties and unpredictable factors. The gold industry faces numerous challenges, including insufficient industry concentration, intensifying resource mergers and acquisitions, and fiercer industry competition. Meanwhile, influenced by the turmoil in the global political and economic landscape and the repeated changes in U.S. tariff policies that undermine the credibility of United States dollars, the safe-haven and monetary attributes of gold have significantly strengthened. Global central banks continue to maintain strong gold purchases, and investment demand for gold has risen substantially, presenting the gold industry with favorable development opportunities.

During the Reporting Period, global political and economic uncertainties remained high. On one hand, the United States imposed large-scale tariffs on foreign imports, which not only increased the risk of global political and economic instability but also threatened global economic growth, thereby boosting market demand for safe-haven assets. On the other hand, the growing unilateral tendencies of the U.S. government raised market concerns that its fluctuating foreign policies could weaken the international status and credibility of United States dollars, highlighting gold's monetary attributes in "de-dollarization" trades. Additionally, the ongoing turmoil in the Middle East and the prolonged Russia-Ukraine conflict contributed to a complex global geopolitical landscape.

During the Reporting Period, gold prices rose sharply and hit record highs. Driven by global political and economic turmoil and market's "de-dollarization" trades, gold prices have risen sharply. In the first half of 2025, the international spot gold price ranged from the highest of US\$3,500/ounce to the lowest of US\$2,614/ounce, with a maximum volatility of US\$886/ounce, closed at US\$3,302/ounce, up by approximately 25.8% as compared to the closing price at the end of last year. The domestic RMB gold price was weaker than the international gold price. The contract price of Shanghai Gold Exchange AU(T+D) reached the highest of RMB833.79/g and the lowest of RMB618.42/g, and closed at RMB764.15/g in the first half of 2025, representing an increase of approximately 24.3% over the closing price at the end of last year.

Looking ahead to the gold price trend in the second half of the year, on one hand, as the U.S. government broadly imposes tariffs, the impacts on the U.S. and global economies will gradually emerge, strengthening expectations for interest rate cuts by the Federal Reserve. Meanwhile, global geopolitical tensions remain unstable, keeping gold's investment demand robust, which will continue to support gold prices. On the other hand, as the U.S. gradually reaches trade agreements with other economies, tariff risks are expected to ease, and a periodic decline in safe-haven sentiment may suppress gold price performance. Therefore, gold prices are likely to maintain high levels with fluctuations in the second half of the year.

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

2. Domestic gold production and trading volume

In recent years, China's gold industry has developed rapidly, making it the world's largest producer and consumer of gold.

During the Reporting Period, the domestic gold production grew slightly year-on-year. According to the statistics of the China Gold Association, the gold produced with domestic raw materials was 179.083 tonnes in the first half of 2025, a decrease of 0.551 tonne as compared to the first half of 2024, representing a year-on-year decrease of 0.31%. Among them, the gold mine-produced gold was 139.413 tonnes, and the non-ferrous by-products was 39.670 tonnes. In addition, the gold produced from imported raw materials was 76.678 tonnes in the first half of 2025, representing a year-on-year increase of 2.29%. When including this portion of gold produced from imported raw materials, a total of 252.761 tonnes of gold were produced nationwide, representing a year-on-year increase of 0.44%.

During the Reporting Period, the total amount of gold traded on the domestic gold exchanges recorded a significant year-on-year increase. According to the statistics of the China Gold Association, the accumulated unilateral trading volume of all gold products on the Shanghai Gold Exchange in the first half of 2025 was approximately 16,800 tonnes (bilateral: approximately 33,600 tonnes), representing a year-on-year increase of 12.70%, with an accumulated unilateral turnover of approximately RMB12.12 trillion (bilateral: approximately RMB24.24 trillion), representing a year-on-year increase of 56.46%. The accumulated unilateral trading volume of all gold futures and options on the Shanghai Futures Exchange was approximately 75,500 tonnes (bilateral: approximately 151,000 tonnes), representing a year-on-year increase of 88.39%, with an accumulated unilateral turnover of approximately RMB44.44 trillion (bilateral: approximately RMB88.89 trillion), representing a year-on-year increase of 149.17%.

In recent years, in the context of the country's comprehensive implementation of a new round of mineral exploration breakthrough strategies, domestic gold enterprises have further intensified their resources exploration efforts while carrying out mergers and acquisitions at home and abroad to increase their ability to acquire resources. In June 2025, nine departments, including the Ministry of Industry and Information Technology, the National Development and Reform Commission, the Ministry of Natural Resources, and the Ministry of Commerce, jointly issued the Implementation Plan for High-Quality Development of the Gold Industry (2025-2027), which balances high-quality development with high-level security, strengthens protective development, high-value utilization, and standardized management, and is grounded in resource security, driven fundamentally by technological innovation, and guided by standards enhancement. It accelerates the industry's advancement toward high-end, intelligent, green, and safe development, thereby promoting high-quality growth in the gold industry.

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

3. Industry Position of Shandong Gold

The Company is one of the leading gold producers in China, with abundant reserves of gold resources. Through optimization of production organization, intensification of resource exploration and active merger and acquisition integration, the Company comprehensively enhanced the level of scientific and technological innovation, continuously increased its gold production and resources, and its domestic mines have maintained the first place in China in gold production for consecutive years.

During the Reporting Period, the Company produced 24.71 tonnes of mineral gold, accounting for 17.72% of the total mineral gold output of domestic mining enterprises. Among this, the Company's overseas mines produced 5.67 tonnes of gold. According to data from the China Gold Association, the Company's Jiaojia Gold Mine, Sanshandao Gold Mine, and Xincheng Gold Mine have been on the list of "China's Top Ten Gold Producing Mines" and "China's Top Ten Gold Mines for Economic Benefits" for several consecutive years. In 2024, the number of the Company's mines with an annual gold output exceeding one metric tonne reached 12, and this figure is expected to increase to 13 in 2025, further solidifying Shandong Gold's leading position in the gold industry.

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

☐ Applicable ☒ N/A

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

II. DISCUSSION AND ANALYSIS OF OPERATING PERFORMANCE

In the first half of 2025, the Company thoroughly implemented the decisions and arrangements of the Party Central Committee and the State Council, as well as the work requirements of the Shandong Provincial Party Committee and the provincial government, promoting the efforts to stabilize growth, improve quality and efficiency, advance reforms, strengthen innovation and prevent risks in a coordinated manner. The Company achieved record high for its gold production and key economic indicators, efficiently advanced project construction, made significant achievements in scientific research and development, and further enhanced its core competitiveness, laying a solid foundation for the successful completion of the annual work targets.

(I) Focusing on Strengthening Production and Operations with Key Economic Indicators Achieving Record High

The Company has scientifically formulated its annual budgets, and production and operation plans, decomposed indicators at each level, ensured responsibilities at each layer, and implemented differentiated assessments with tailored strategies for each enterprise. The Company has vigorously carried out the “Year of Improvement” campaign for production system optimization, continuously strengthened production technology management, and promoted the trial and application of advanced mining, beneficiation and smelting techniques and methods, continuously enhancing the level of refined and intensive mining. The Company has adhered to the dual emphasis on increasing revenue and reducing costs as well as on tapping potential and enhancing efficiency, strengthened cost control, and achieved stable and increased production as well as higher revenue and efficiency.

In the first half of 2025, the Company had the gold mine production volume of 24.71 tonnes, and sales volume of self-produced of 23.60 tonnes; it achieved operating income of RMB56.766 billion, representing a year-on-year increase of RMB10.992 billion or 24.01%; it achieved total profit of RMB5.483 billion, representing a year-on-year increase of RMB2.675 billion or 95.23%; the net profit attributable to shareholders of the listed company was RMB2.808 billion, representing a year-on-year increase of RMB1.425 billion or 102.98%; weighted average return on net assets was 9.81%, representing a year-on-year increase of 4.80 percentage points; basic earnings per Share was RMB0.57, representing an increase of RMB0.31 compared with RMB0.26 in the same period of the previous year.

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

(II) Advancing Key Project Construction, Continuously Solidifying the Foundation for Development

The Company has prioritized the applying for licenses, and secured 25 permits and approvals. The Company accelerated the advancement of its project construction. During the Reporting Period, it invested a total of RMB1.09 billion in image-related expenses and construction volumes of 374,800 cubic meters. The auxiliary shaft project at the Sanshandao Gold Mine reached a depth of -1,900 meters, setting a new record for deep shafts in China. Meanwhile, work proceeded in parallel on the approval procedures for the 15,000 tonnes/day expansion project for mining and processing, including safety facility design review, striving to create the conditions for full-scale construction to commence as early as possible. The resource integration projects at the Jiaojia Gold Mine and the Xincheng Gold Mine both progressed orderly according to the construction schedule. Among the five main shaft engineering projects designed for the Jiaojia Gold Mine resource integration project, four have successfully completed sinking and lining. Construction of supporting facilities such as loading/unloading stations, drainage and power distribution systems, and transport drifts is now advancing in an orderly manner to fully ensure the construction schedule. All four main shaft engineering projects for the Xincheng Gold Mine resource integration project have completed sinking and lining. Work is currently underway on the construction of the underground drainage and power distribution systems and the fine ore recovery system, alongside simultaneous sinking and lining of the air return cross-cut and main transport drifts. The Company continued to advance the commissioning, trial production, and production ramp-up of the production system at the Namdini Gold Mine project of Cardinal. Overall production performance is stable and improving. The Namibia-based Osino project, acquired by Shanjin International in 2024, is progressing efficiently. Plant construction is planned to commence fully in the fourth quarter of this year, with production expected to begin in the first half of 2027.

The Company has coordinated efforts in exploration and reserve expansion as well as resource mergers and acquisitions, deeply integrating into the new round of mineral exploration breakthrough strategies and continuously increasing geological survey efforts. In the first half of the year, the Company completed a total of 293,000 meters of exploration projects, and increased 18.8 tonnes of gold metal in exploration. The Company has continuously tracked and monitored high-quality resources around the mining areas as well as in important metallogenic zones both domestically and internationally, steadily advancing mergers and acquisitions work.

(III) Driving Reform and Innovation, Continuously Unleashing Vitality and Momentum

The Company has actively promoted the integration of technological and industrial innovation, improving the rigid growth mechanism for R&D investment. The Company has deepened strategic cooperation with universities and scientific research institutes, achieving two scientific and technological innovation platforms above provincial level, and advancing breakthroughs in key technologies such as ultra-deep shaft construction, refractory ore processing, paste backfill, and tailings reduction. During the Reporting Period, the Company applied for six scientific research topics above provincial level and one provincial science and technology progress award, had 137 patent applications and 127 issued patents, won the first prize of Science and Technology Progress Award of Shandong Province for its “Key Technology for Intelligent Filling and Green Mining of Metal Mines” project, and received 38 Science and Technology Awards from the China Gold Association, maintaining the leading position in the national industry.

The Company accelerated its digital transformation, actively advancing the development of systems such as the dispatch and command center, production operation management and control, and digital audit management, as well as the construction of intelligent mines. It promoted the application of technologies in scenarios including deep well exploration, intelligent mining, unmanned vehicles, and intelligent mineral processing plants. Furthermore, two industry and group standards participated in and drafted by the Company were officially issued and implemented.

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

(IV) Strengthening Risk Prevention, Firmly Upholding Safety Bottom Lines

In order to coordinate development and safety, the Company completed a safety-specific investment of RMB516 million during the Reporting Period, representing a year-on-year increase of 27.96%. The Company deeply implemented the three-year action to tackle the root causes of safety production, solidly carried out activities such as the “Safety Production Month” and safety-specific inspections, comprehensively strengthened hidden danger investigation and management and grassroots foundation work, organized and conducted safety trainings for 43,000 persons and 134 emergency drills, inspected 325 fully-supported working sites with a pass rate of 98.5%, and achieved a promotion completion rate of over 90% for the intelligent anti-collision system of trackless equipment.

The Company has accelerated the construction of green mines and the achievement of carbon peaking and carbon neutrality, continuously establishing and improving the ecological and environmental protection responsibility system and management system. The Company has vigorously promoted the research and development of key technologies such as “three wastes” treatment, tailings comprehensive utilization, ecological restoration, pollution reduction and carbon emission reduction. During the Reporting Period, leveraging the Company’s green mines, Shandong Gold Group was honored with the “Prize for Outstanding Contribution to Green Mines”, further consolidating the brand image of “Ecological Shandong Gold”. The Company has meticulously implemented internal audit supervision, compliance management construction and major litigation control, comprehensively established a compliance management system, and completed compliance reviews for 69 major decisions.

(V) Continuously Improving Corporate Governance Level, and Conducting Market Value Management in a Scientific and Compliant Manner

The Company has continuously improved the corporate governance system, and further enhanced the level of standardized operations and the quality of information disclosure. During the Reporting Period, the Company organized and convened two Shareholders’ general meetings, four Board meetings and three Supervisory Committee meetings, deliberated 74 proposals, and promptly fulfilled the information disclosure procedures. The Company also strengthened the collection, reporting and management of major matters, forming a comprehensive and multi-level information disclosure work network. The Company communicated and interacted positively with investors through multiple channels, convened annual and first-quarter results briefing, organized and participated in over 60 investment exchange activities covering more than 700 people from well-known securities firms and fund companies, and answered over 400 calls on the investor hotline. The Company compiled its first Sustainability Report to a high standard, improved the construction of the ESG system, and newly established the Sustainability Committee under the Board.

The Company has formulated its Market Value Management System, establishing and improving its market value management system. The Company valued Shareholder returns and increased dividend payouts, with the dividend rate for 2024 increasing by 6.46 percentage points as compared to 2023. The Company regularly implemented half-year profit distributions, and proposed to distribute an interim cash dividend of RMB1.8 per 10 Shares (tax inclusive) for 2025, with a total dividend amount of approximately RMB805 million, accounting for 31.45% of the then net profit attributable to ordinary shareholders of the listed company after deducting the interest payments on perpetual bonds.

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

(VI) Strengthening Party Building, and Gathering Collective Efforts to Do Things and Start Businesses

The Company has solidly carried out and deeply implemented the learning and education on the spirit of the Central Eight Provisions, advanced learning, inspection and rectification in an integrated manner, and strictly implemented the first agenda and the study system for the Party committee's theoretical study center group, forming a normalized and long-term mechanism for work style construction, and stimulating the momentum and vitality for reform and development with a good work style. The Company has continuously strengthened the construction of talent teams, adhering to a hierarchical personnel allocation combining experienced, middle-aged and young talents, and accelerating the building of a high-quality professional talent team. The Company has two new model workers nationwide, two chief technicians in Qilu, four provincial technical experts, two employees who are awarded the Shandong Provincial May 1st Labor Medal, and one team which is awarded the Shandong Province Workers' Pioneer. The Company has deeply promoted comprehensive and strict governance of the party, further enhancing the political and organizational functions of grassroots party organizations, strengthening supervision over important positions and key personnel, and building a "big supervision" pattern to consolidate the clean and upright development environment.

Material changes in the operation of the Company during the Reporting Period and events that occurred during the Reporting Period that have had a significant impact on the operation of the Company and are expected to have a significant impact in the future

☐ Applicable ☒ N/A

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

III. ANALYSIS OF THE CORE COMPETITIVENESS DURING THE REPORTING PERIOD

✓ Applicable ☐ N/A

(I) Strategic Advantage

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

(II) Advantage in Resource

The Company has been upholding the concept of “resource first” in an unswerving manner. The Company, following the strategy of “internal growth and external expansion to optimize and increase resources”, carried out the exploration of self-owned mining rights and the acquisition of resources in parallel, continuously expanding its resource reserves, upgrading the quality of its resources and enhancing its core competitiveness. The Company gave full play to the main role of mining enterprises internally through finding mines by mines and focusing on the periphery and the deep part of the mines, conducted in-depth research on the metallogenic rules, and increased the investment in exploration, and the annual additional resources from exploration provide strong impetus and resource support for the sustainable development of the mines. The Company externally engaged in mergers and acquisitions in an active manner to acquire high-quality mineral resources in important domestic and overseas mining regions, so as to continuously consolidate our leading position. Since 2023, the Company has successively acquired 28.89% of the shares of Shanjin International, won the bid for the exploration right of the peripheral rim of Daqiao Gold Mine, acquired 70% of the equity interests of Changtai Mining and the exploration right of Xiling Gold Mine. Shanjin International completed the merge of a 100% equity interest in Osino Resources Corp. and a 52.07% equity interest in Yunnan Western Mining Co., Ltd. (雲南西部礦業有限公司). The controlling subsidiary of Shanjin International, Mangshi Huasheng Gold Mine Development Co., Ltd. (芒市華盛金礦開發有限公司), acquired an exploration right in the vicinity. The aforesaid mergers and acquisitions have significantly increased the Company's resource reserves.

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

(III) Advantage in the Company's Scale

Leveraging its abundant resource reserves, the Company has built a full-process industry chain, adopting the large-scale and intensive production model of scattered mining and beneficiation and centralized smelting. In 2025, the number of mines of the Company with an annual production of more than 1 tonne of gold is expected to reach 13. The Company has established a gold industry cluster in the gold-rich Jiaodong region, including Laizhou, Penglai, Zhaoyuan, and Rushan. Jiaojia Gold Mine, Sanshandao Gold Mine and Xincheng Gold Mine have been on the list of China Top Ten Mines in Gold Production and China Top Ten Mines in Gold Economic Efficiency for several consecutive years. Shandong Gold Smelting Co., Ltd. boasts a daily processing capacity of 1,200 tonnes of gold concentrate, with an annual refining capacity of 100 tonnes of standard gold and 50 tonnes of silver, enjoying a leading position among the national top ten smelting and refining enterprises for many years. In recent years, the Company has accelerated the construction progress of key projects, promoted the construction of intelligent mining areas in major mines, and further enhanced the equipment level and degree of mechanization, automation and intelligence of mines, and striving to create a model for high-quality development of mining operations.

(IV) Advantage in Scientific and Technological Innovation

The Company continued to adhere to problem orientation for its scientific and technological innovation work, increased its investment in research and development, focused on the cutting-edge technologies of the mining industry, and strengthened the construction of its own innovation platform, with its mining and beneficiation technologies at the leading level in the industry. The Company set up key topics around six directions: deep shaft construction, tailings reduction and recycling, refractory ore processing technology, paste backfill demonstration projects, large-scale intensive mining methods, and intelligent ventilation systems, and all the topics are progressing smoothly, of which, the deep shaft mining laboratory has explored the construction of a standardized working system for conventional rock masses in metal mines, established an automated evaluation method for rock mass quality, and realized intelligent design of rock mass support methods and intelligent calculation of support parameters, providing scientific, convenient, and information-based support design tools for mines. Sanshandao Gold Mine took the lead in a deep shaft construction project jointly tackled by five scientific research units and successfully dug to a depth of -1,900 meters, setting a record for the deepest shaft in Asia. During the Reporting Period, the Company was honored with 39 awards at the provincial and ministerial levels or above, with the "Key Technologies for Green Mining with Intelligent Filling in Metal Mines" winning the first prize of the Shandong Science and Technology Progress Award.

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

(V) Talent Advantage

The Company adhered to an open and inclusive talent philosophy, firmly upholding the candidate selection and appointment direction of “morality first, equal stress on integrity and ability, emphasis on actual performance and public recognition”, and building three talent teams in “management, technology and skill”. The Company improved selection and appointment mechanisms, optimized the talent echelon, and coordinated the allocation of management and technical talents across all age groups. Through active innovation, it has launched the National Mechanical, Metallurgical and Building Materials Industry Craftsman College (全國機械冶金建材行業工匠學院) and the Shandong Metallurgical Craftsman College (山東冶金工匠學院), established a self-evaluation system for skilled talents in unique types of gold mining industry, and broadened the growth and promotion channels for skilled talents. The Company continuously collaborated with universities to directionally train master’s and doctoral students in engineering, accelerating the growth and expansion of an outstanding engineer team to build a core technical force. The Company increased the introduction of young talents, such as doctoral graduates, continuously replenishing fresh scientific and technical strength. With the support of platforms such as academician workstations and key projects, Shandong Gold has hired well-known academicians, experts and scholars to concentrate our efforts on overcoming “stuck neck” technical problems. Shandong Gold continuously made substantial breakthroughs in geological prospecting, deep resource exploration and mining, green mines, intelligent mining and promoted the transformation of industrial value.

(VI) Brand Advantage

The Company integrated ESG concepts into the entire process of enterprise development, and collaborated in promoting carbon reduction, pollution reduction, green expansion and growth, so as to improve the brand image of “Ecological Shandong Gold”. By continuously increasing safety investments and implementing a strategy of invigorating safety through technology, it has significantly enhanced intrinsic safety production levels. The Company continuously upgraded the standards of green mine construction and ecological environmental protection in terms of mining environment, green development, comprehensive resource utilization, energy saving and emission reduction, enterprise management and community harmony, accelerating the formation of a new mode of mining development. The Company was included into the Sample Shares of the Shanghai Stock Exchange 50 Index, the Shanghai Stock Exchange 180 Index, as well as the Sample Shares of three major international indices, namely the MSCI Indices, FTSE Russell and S&P Dow Jones Indices for multiple times, and won multiple awards such as the Best ESG Practice Award for Listed Companies and the Best Practice in Investor Relations Management for multiple times. Its Wind ESG rating has been upgraded to A, and it has been awarded an A-grade information disclosure rating by the Shanghai Stock Exchange for seven consecutive years.

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

IV. OPERATING PERFORMANCE DURING THE REPORTING PERIOD

(I) Analysis of Main Businesses

1. Table of movement analysis for the related items in financial statements

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the corresponding period of last year	Change in percentage (%)
Operating revenue	56,765,895,355.68	45,773,494,698.05	24.01
Operating costs	46,854,214,561.98	39,292,355,872.23	19.25
Selling expenses	76,378,155.44	83,112,784.31	-8.10
Administrative expenses	1,679,883,563.25	1,295,653,848.09	29.66
Financial expenses	913,728,030.80	933,064,439.72	-2.07
R&D expenses	311,539,562.76	258,161,998.13	20.68
Net cash flows generated from operating activities	10,502,900,464.64	5,779,663,161.40	81.72
Net cash flows generated from investment activities	-5,314,022,572.11	-11,205,765,139.01	N/A
Net cash flows generated from financing activities	-4,035,320,857.88	5,051,428,811.04	-179.88

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

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

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

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

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

Explanation of changes in financial expenses: Financial expenses remained relatively unchanged compared to the same period of the previous year;

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

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

Explanation of changes in net cash flows generated from investment activities: The increase in net cash flows generated from investment activities was mainly due to the increase in cash received from investment recoveries during the period;

Explanation of changes in net cash flows generated from financing activities: The decrease in net cash flows generated from financing activities was mainly due to the increase in net cash outflows generated from financing activities during the period.

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

☐ Applicable ☒ N/A

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

(II) Description of Material Change in Profit Due to non-Main Business

☐ Applicable ☒ N/A

(III) Analysis of Assets and Liabilities

☒ Applicable ☐ N/A

1. Status of assets and liabilities

Unit: Yuan Currency: RMB

Items	Closing balance for the current period	Closing balance for the current period as a percentage of total assets (%)	Closing balance for the corresponding period of last year	Closing balance for the corresponding period of last year as a percentage of total assets (%)	Year-on-year change of the closing balance (%)	Explanations
Monetary capital	12,522,686,397.09	7.54	11,077,274,906.35	6.89	13.05	It was mainly due to the decrease in the purchase of wealth management products by subsidiaries during the period
Notes receivable	225,169,658.82	0.14	123,886,585.10	0.08	81.75	It was mainly due to the increase in unmatured notes received by subsidiaries
Accounts receivable	524,669,395.93	0.32	493,049,005.61	0.31	6.41	It was mainly due to the increase in accounts receivable of subsidiaries
Inventories	8,424,835,498.40	5.07	6,819,745,616.21	4.24	23.54	It was mainly due to the increase in inventory goods of subsidiaries
Construction in progress	14,897,768,848.21	8.97	10,604,445,075.41	6.60	40.49	It was mainly due to the increase in investment in construction in progress of subsidiaries during the period
Short-term borrowings	29,386,809,802.18	17.70	26,269,496,757.73	16.35	11.87	It was mainly due to the increase in short-term borrowing financing by the Company during the period
Contract liabilities	779,281,989.56	0.47	427,135,295.37	0.27	82.44	It was mainly due to the increase in advanced receipts for sold goods by subsidiaries
Staff remuneration payables	1,064,249,533.33	0.64	626,183,255.77	0.39	69.96	It was mainly due to the increase in accrued but unpaid salaries by subsidiaries during the period
Taxes payable	1,407,974,435.26	0.85	962,099,132.81	0.60	46.34	It was mainly due to the increase in accrued but unpaid taxes by subsidiaries
Long-term borrowings	22,912,611,604.22	13.80	26,609,694,266.16	16.56	-13.89	It was mainly due to the transfer of long-term borrowings due within one year to non-current liabilities due within one year
Lease liabilities	160,579,667.06	0.10	124,369,283.43	0.08	29.12	It was mainly due to the new leasing of subsidiaries

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

2. Overseas assets

☒ Applicable ☐ N/A

(1). Size of assets

Including: overseas assets of 253.03 (Unit: RMB100 million Currency: RMB), accounting for 15.24% of the total assets.

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

☐ Applicable ☒ N/A

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

☒ Applicable ☐ N/A

Unit: RMB

Items	Carrying amount as of the end of the year	Reasons for restrictions
Monetary funds	402,919,780.45	Security deposits for land reclamation and environmental governance
Monetary funds	995,707,164.47	Security deposits for notes
Monetary funds	4,510,000.00	Performance deposits
Monetary funds	41,674,715.84	Balances with clearing companies
Monetary funds	315,569.59	Others
Inventories	34,067,940.22	Pledge for financing
Other non-current assets	1,329,800.00	Advanced security deposit for exploration rights, the balance of which will be frozen and supervised according to a three-party supervision agreement signed by Jilin Jincheng Shengxin Mining Co., Ltd. (吉林金誠盛鑫礦業有限公司), Team 602 of Jilin Provincial Non-ferrous Metal Geological Exploration Bureau and its account bank
Total	1,480,524,970.57	—

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

4. Other explanations

☐ Applicable ☒ N/A

(IV) Analysis of Investments

1. Overall analysis on external equity investment

☒ Applicable ☐ N/A

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

The Company invested to establish Shandong Shanjin Materials Co., Ltd. (山東山金物資有限公司) in December 2024, which operates under a low-profit business model. It centralizes the procurement, unified allocation and professional management of materials within Shandong Gold, thereby enhancing operational efficiency and management level. This initiative continuously reduces procurement costs, optimizes inventory management, and realizes the full-process management for centralized procurement operations. The registered capital of the company is RMB100 million, with an investment of RMB50 million was completed during the Reporting Period.

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

(1). Key Equity Investments

✓ Applicable ☐ N/A

Unit: RMB0'000 Currency: RMB

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SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

(2). Key Non-equity Investments

✓ Applicable □ N/A

No.	Project name	Total project investment amount (RMB100 million)	Progress of project	Amount completed during the Reporting Period (RMB100 million)	Cumulative amount completed (RMB100 million)	Revenue of project
1	Jiaojia mining area (integration) gold resources development project	82.73	The mixing shaft in the north area, the main shaft in the south area, the auxiliary shaft in the south area, the 2# air return shaft and other parts of the main control project were completed, and the second phase of the project is under construction.	4.3	12.9	According to the Feasibility Study Report, after the project reaches capacity, the ore production and processing capacity will be 6.6 million tonnes per year, and the average annual production of flotation gold concentrate will be 290,600 tonnes (gold content of 18,854 kg/year).
2	Xincheng Gold Mine resources integrated development project	39.5	The main shaft in mining area I, the auxiliary shaft in mining area II, the air return shaft and other parts of the main control project were completed, and the supporting engineering construction is in progress.	3.91	10.63	According to the Feasibility Study Report, after the project is completed and reaches capacity, the annual ore processing capacity will be 2.64 million tonnes, and the average annual production of flotation gold concentrate will be 119,600 tonnes (gold content of 7,771 kg/year).
3	Expansion project of 2,000t/d of mining and beneficiation in Chifeng Chaihulanzi Gold Mining Co., Ltd.	2.78	The auxiliary shaft and air shaft of the main control project were completed, the second phase of tunnel development project is under construction, and the equipment and facilities are being installed.	0.19	2.54	According to the Feasibility Study Report, when the mine reaches production scale, it will produce 600,000 tonnes of ore per year.

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

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

(3). Financial assets measured at fair value

☒ Applicable ☐ N/A

Unit: RMB10 thousand Currency: RMB

Asset class	Opening balance	Gains and losses from changes in fair value in the current period	Cumulative changes in fair value included in equity	Impairment accrued in the current period	Purchase amount of the current period	Amount sold/ redeemed in current period	Other changes	Closing balance
Stocks	445,679.14	-25.21						445,653.93
Trust products	51,797.68	0.55				0.55		51,797.68
Private equity	163,307.49	1,278.03				1,354.65		163,230.87
Futures	191.91	-10,380.42			56,512.10	55,777.60	11,742.08	2,288.07
Derivatives	-993.48	-16,735.48			-14,132.23	-14,288.05	13,359.55	-4,213.59
Others	165,185.05	2,196.35			1,085,067.00	1,170,595.85		81,852.55
Receivables financing	8.00						-8.00	
Total	825,175.79	-23,666.18			1,127,446.87	1,213,440.60	25,093.63	740,609.51

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

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

Investment in securities

✓ Applicable ☐ N/A

Unit: RMB10 thousand Currency: RMB

Types of securities	Stock code	Abbreviation of securities	Initial investment cost	Source of funds	Opening carrying amount	Gains and losses from changes in fair value in the current period	Cumulative changes in fair value included in equity	Purchase amount of the current period	Amount sold in the current period	Investment profit and loss in the current period	Closing carrying amount	Accounting items
Stocks	601899	Zijin Mining	5,000.00	Self-owned funds	6,866.57	2,228.30	0.00	0.00	0.00	0.00	9,094.87	Financial assets held for trading
Stocks	600022	Shandong Iron and Steel	5,000.00	Self-owned funds	261.10	-25.21	0.00	0.00	0.00	0.00	235.89	Financial assets held for trading
Funds	/	/	3,100.00	Self-owned funds	18,069.09	711.17	0.00	0.00	0.00	0.00	18,780.26	Financial assets held for trading
Others	/	/	500.00	Self-owned funds	2,137.85	228.04	0.00	0.00	0.00	0.00	2,365.89	Financial assets held for trading
Total	/	/	13,600.00	/	27,334.61	3,142.30	-	-	-	-	30,476.91	/

Description of securities investment

✓ Applicable ☐ N/A

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

The securities investment projects under the fund category are Jinyuan No. 1 Private Securities Investment Fund of Jinquan Shanjin (金泉山金金源一號私募證券投資基金) and Jinyuan No. 2 Private Securities Investment Fund of Jinquan Shanjin (金泉山金金源二號私募證券投資基金) independently managed by Jinquan Private Equity Fund. The securities investment project in other categories is the Antai No. 5 Single Asset Management Plan of Caitong Fund (財通基金安泰5號單一資產管理計劃), which is 100% held by Jinquan Private Equity Fund, and has the right to make investment decisions and is consolidated.

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

Investment in private equity fund

☒ Applicable ☐ N/A

As of the end of the Reporting Period, the balance of investment in self-managed consolidated private equity funds of which SDG Capital Management's wholly-owned subsidiaries, namely Jinqian Private Equity Fund, Shanjin Futures and Jinqian Investment Management Company (金泉投资管理公司), acted as managers with an investment proportion exceeding 30% or non-managers with an investment proportion reaching 100%, amounted to RMB1.735 billion.

Investment in derivatives

☒ Applicable ☐ N/A

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

☐ Applicable ☒ N/A

During the Reporting Period, in order to avoid the impact of price and exchange rate fluctuations on production and operation and ensure the continuity and stability of the Company's operating results, the Company and its subsidiaries (excluding Shanjin International) carried out derivative investment business for the purpose of hedging within the limits considered by the Board and the general meeting: the margin and credit of financial institutions occupied by the Company and its subsidiaries (excluding Shanjin International) for self-produced gold futures and derivatives trading business in 2025 did not exceed the authorization limit of RMB0.5 billion or its equivalent value in other currencies as considered and approved, and the maximum contract value did not exceed the authorization limit of RMB3.5 billion or its equivalent value in other currencies as considered and approved; the margin and credit of financial institutions occupied by other futures and derivatives trading businesses did not exceed the authorization limit of RMB0.6 billion or its equivalent value in other currencies as considered and approved, and the maximum contract value did not exceed the authorization limit of RMB4.2 billion or its equivalent value in other currencies as considered and approved; the maximum contract value of the gold leasing and hedging business did not exceed the authorization limit of RMB21.9 billion or its equivalent value in other currencies as considered and approved (for details, please refer to the Announcement on Commencement of Futures and Derivatives Transactions in 2025 of Shandong Gold Mining Co., Ltd. and Announcement on Commencement of Gold Leasing and Hedging Combination Business in 2025 of Shandong Gold Mining Co., Ltd. (Announcement No.: Lin 2025-016, Lin 2025-017) disclosed by the Company on 27 March 2025).

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

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

The accounting policies, specific principles of accounting for hedging business during the Reporting Period, and explanations of whether there are significant changes compared with the previous reporting period	No significant change
Explanation on actual profit and loss during the Reporting Period	In order to avoid the impact of price and exchange rate fluctuations on the Company’s production and operation, the Company carried out highly liquid futures and other derivatives transactions that are related to its main business and similar to the Company’s products according to a certain proportion, and all transactions conducted are backed by physical business activities. During the Reporting Period, the Company’s futures and other derivatives transactions resulted in no loss after being offset against spot value movements, thereby achieving the purpose of hedging.
Description of hedging effect	The futures and other derivatives transactions that the Company engages in are linked to products and foreign exchange related to its production and operation. These activities have effectively hedged against the risks of commodity price and exchange rate fluctuations, achieved the expected risk management objects, safeguarded the financial security of the Company and the profitability of its main business, and achieved the expected risk management objects.
Source of funds for investment in derivatives	Self-owned funds

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

Risk Analysis and Control Measures for Derivative Holdings during the Reporting Period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)

The Company and its subsidiaries conduct futures and other derivative transactions in compliance with the principles of legality, prudence, security and effectiveness. These activities are always aimed at mitigating risks arising from price and exchange rate fluctuations, with risk control as the top priority. No speculative trading is carried out under the guise of hedging, and all transactions are backed by actual business backgrounds. Nevertheless, certain risks remain during operations:

1. Market Risk: Due to international and domestic economic policies and conditions, futures and derivative prices may experience significant fluctuations. There is a risk that futures prices may deviate from spot price trends, reducing or negating hedging effectiveness, and possibly leading to financial losses.
2. Operational Risk: Hedging activities are highly specialized and complex. Inadequate internal control mechanisms or human operational errors may give rise to risks.
3. Liquidity Risk: Inadequate market trading volume or a lack of willing counterparties may prevent transactions from being executed at desired times or at all, potentially resulting in losses. The futures trading system requires margins and follows mark-to-market daily practices. Excessively large positions may lead to liquidity strain, while insufficient margin may result in forced liquidation of positions and actual losses.
4. Technical Risk: Uncontrollable and unforeseeable system failures, network disruptions, or other technical issues may cause abnormal operation of the trading system, resulting in delayed, interrupted, or erroneous transaction orders, thereby introducing relevant risks.

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

Risk Control Measures:

1. The Company strictly complies with national laws and regulations, regulatory requirements, industry guidelines, as well as its Articles of Association and relevant internal policies to ensure the legality, compliance, and effectiveness of its operations.
2. The Company has strengthened its internal control system by formulating management rules including the “Self-produced Gold Hedging Management Measures of Shandong Gold Mining Co., Ltd.”, “Bulk Trade Hedging Management Measures of Shandong Gold Mining Co., Ltd.”, and the “Gold Leasing and Hedging Business Management Measures”. These documents provide clear provisions regarding business principles, organizational structure and responsibilities, operational procedures, risk management and control, information disclosure, and confidentiality and records management, thereby continuously enhancing the Company’s internal control.
3. The Company implements strict authorization management, ensuring that trading scale, varieties, and tenor remain strictly within approved limits. No unauthorized excess of trading limits is permitted. The Company enforces a segregation of duties system and has established dedicated clearing and risk control positions. Using a specialized information technology control platform, it continuously monitors changes in futures and derivative prices and the usage of trading limits, promptly assessing the performance of hedging activities. Operational staff regularly report business conditions to the Company’s management. Any abnormal situations are immediately reported, risks are highlighted, and corresponding early warning mechanisms are activated based on the specific circumstances.

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

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.

Changes in Market Prices or Fair Value of Invested Derivatives during the Reporting Period (an analysis of the fair value of derivatives shall disclose the specific methods used, as well as the relevant assumptions and parameters established)

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

Litigation Involvement (if applicable)

Nil

Disclosure Date of Board Announcement Regarding Derivative Investment Approval (if any)

27 March 2025

Disclosure Date of Shareholders' Meeting Announcement Regarding Derivative Investment Approval (if any)

11 June 2025

(2). *Derivative investment for speculative purposes during the Reporting Period*

☐ Applicable ☒ N/A

Other explanations

None

(V) **Disposal of Material Assets and Equity Interest**

☐ Applicable ☒ N/A

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

(VI) Analysis of Major Subsidiaries and Investees

☒ Applicable ☐ N/A

See Section 10 “Interests in Other Entities” for details

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

☒ Applicable ☐ N/A

Unit: RMB10 thousand Currency: RMB

Name of company	Type of company	Principal activities	Registered capital	Total assets	Net assets	Revenue	Operating profit	Net profit
Shandong Gold Mining (Laizhou) Co., Subsidiary Ltd. (山東黃金礦業(萊州)有限公司)		Mining and sale of gold	43,017.64	4,692,907.79	593,950.19	441,636.70	148,897.97	111,766.58
Shandong Gold Mining (Hong Kong) Co., Limited	Subsidiary	Mining and sale of gold	453,114.56	2,104,194.14	631,327.67	372,019.08	127,767.56	62,403.58
Shanjin International Gold Co., Ltd. (山金國際黃金股份有限公司)	Subsidiary	Mining and sale of gold	277,672.23	2,473,478.05	1,876,727.04	924,564.50	157,786.38	120,306.97

Acquisition and disposal of subsidiaries during the Reporting Period

☐ Applicable ☒ N/A

Other explanations

☐ Applicable ☒ N/A

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

(VII) Structured Entities Controlled by the Company

✓ Applicable ☐ N/A

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

As of 30 June 2025, the Group had the following major consolidated structured entities

Names	Shareholding	Paid-in capital	Acquisition method
Shanjin Jinshi No. 1 Private Securities Investment Fund (山金金石1號私募證券投資基金)	100.00%	472,249,981.75	Establishment
Jinquan No. 1 Private Securities Investment Fund of Jinquan Shanjin (金泉山金金源一號私募證券投資基金)	100.00%	102,974,999.87	Establishment
Zhuchi Quantitative Stable Investment Master Fund No. 1 Phase I (珠池量化穩健投資母基金1號1期)	100.00%	319,727,495.80	Investment
Jinan Jinying Investment Partnership (Limited Partnership) (濟南金盈投資合夥企業(有限合夥))	20.00%	2,500,170,000.00	Establishment
Jinan Jinyue Investment Partnership (Limited Partnership) (濟南金悅投資合夥企業(有限合夥))	100.00%	1,285,200,000.00	Establishment

As of 30 June 2025, the net assets of the structured entities included in the scope of consolidation of the Group amounted to RMB1,735,212,469.27. The equity interests held by the Company in the above-mentioned structured entities have been offset, mainly reflecting financial assets held for trading of RMB447,992,504.92 and other non-current financial assets of RMB1,272,630,496.44 in the balance sheet.

(VIII) Others

1. Liquidity and Capital Resources

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

As at 30 June 2025, the Group's short-term borrowings amounted to RMB29,386.81 million and long-term borrowings amounted to RMB22,912.61 million, with annual interest rates ranging from 1.66% to 6%.

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

2. Commitments

As of 30 June 2025, the Group's commitments amounted to RMB1,518,330,900, the specific details are as follows:

Item	Closing amount (RMB'0,000)	Opening amount (RMB'0,000)
Contracted but not recognized in the financial statements		
– Commitment to acquisition and construction of long-term assets	20,858.29	13,376.10
– Significant labour contracts	130,974.80	77,901.31
Total	151,833.09	91,277.41

3. Gearing Ratio

Gearing ratio is defined as the ratio of consolidated total debt to consolidated total equity. As of 30 June 2025, the Group's consolidated total debt was RMB104,782.61 million (RMB102,089.93 million as of 31 December 2024), and the Group's consolidated total equity was RMB61,236.53 million (RMB58,570.02 million as of 31 December 2024). As of 30 June 2025, the Group's gearing ratio was approximately 171.11%.

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

Save as disclosed in this interim report, for the six months ended 30 June 2025, the Group had no major investments, nor major acquisitions or disposals of subsidiaries, associates and joint ventures.

5. Pledge of Assets

As of 30 June 2025, the Group did not have any other material pledge of assets, save as disclosed in this interim report.

6. Contingent Liabilities

As of 30 June 2025, the Group had no material contingent liabilities.

7. Future Plans Relating to Major Investment or Capital Asset

Saved as disclosed in this interim report, as of the end of the Reporting Period, the Company has no future plan relating to major investment or capital asset.

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

V. OTHER DISCLOSURES

(I) Potential Risks

✓ Applicable ☐ N/A

The Company strengthened the top-level design of risk management, clarified the risk management responsibilities of the Board of Directors, management and various departments and positions, and built a standardized and robust risk prevention and control system and mechanism covering all business processes and procedures, so as to effectively prevent and resolve various risks.

Investors are advised that the Company has identified major risks and formulated various countermeasures, and however, the Company cannot completely eliminate all adverse factors due to constraints of various factors.

1. Safety management risks

With the enhancement of employees' safety awareness and the increasingly stringent production safety supervision requirements of governments at all levels, the Company always regards production safety as a top priority in its operations and management, continuously improving the safety management system and strengthening risk prevention measures. The Company still has certain deficiencies in the implementation of safety production responsibilities, identification and mitigation of potential hazards, execution of specialized rectification measures and safety education and training due to factors such as natural conditions, personnel competency, technical capabilities, scientific and technological levels and objective conditions of the industry. These gaps pose risks of safety incidents and hinder the achievement of the Company's intrinsic safety goals. Any casualties and property losses will have a significant impact on the Company's brand and social reputation.

Countermeasures:

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

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

2. Environmental protection management risks

Amid increasingly stringent national ecological and environmental protection policies and continuously rising regulatory requirements, mining companies are facing growing environmental pressure. Although the Company's ecological and environmental protection efforts have maintained a stable state, there is still a need to further strengthen refined environmental management, ecological restoration, pollution prevention, and environmental risk management and control. In the event of incidents such as environmental pollution and major violations of laws and regulations in energy conservation and environmental protection, it will have a significant impact on the Company's sustainable development and public image.

Countermeasures:

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

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

3. Resource acquisition risk

With the intensification of global resource competition, stricter national safety and environmental policies, adjustments in industry policies and other factors, the difficulty of resource mergers and acquisitions has increased, which may restrict the further improvement of production capacity scale.

Countermeasures:

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

4. Risks of fluctuation in product prices

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

Countermeasures:

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

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

(II) Other Disclosures

✓ Applicable ☐ N/A

Implementation of the “Corporate Value and Return Enhancement” Plan

The Company has actively implemented the guiding principles of “invigorate the capital market and boost investors’ confidence” and “strong efforts to enhance the quality and investment value of listed companies”. In alignment with the philosophy of “investor-centric”, the Company has formulated the “Corporate Value and Return Enhancement” Action Plan based on its strategic planning, production and operational activities (for details, please refer to the Announcement on 2024 Semi-annual Profit Distribution Plan and Implementation of the “Corporate Value and Return Enhancement” Action Plan (No.: Lin 2024-073), disclosed by the Company on the website of the Shanghai Stock Exchange on 29 August 2024).

In 2025, the Company has actively implemented its “Corporate Value and Return Enhancement” Action Plan. During the Reporting Period, the following key initiatives were undertaken:

First, the Company comprehensively launched the formulation of the “15th Five-Year Plan”. Significant progress has been made in the planning process. Guided by the Implementation Plan for High-Quality Development of the Gold Industry, the Company focused on strengthening resource security as its foundation, intensifying R&D on “green technology”, enhancing management, improving quality and efficiency, optimizing existing operations, and scaling new growth drivers. These efforts are aimed at building a world-class gold mining enterprise with global competitiveness.

Second, the Company strengthened management, leading to a continuous improvement in profitability. The Company continued to optimize production organization, systems, and processes, deepened systematic cost reduction and efficiency enhancement initiatives, and leveraged technological innovation and centralized procurement. During the Reporting Period, the net profit attributable to shareholders of the listed company reached RMB2.808 billion, representing a year-on-year increase of 102.98%, and earnings per share was RMB0.57, representing a year-on-year increase of 120.11%, both reaching the highest levels ever recorded for the same period.

Third, the Company formulated and implemented the Interim Market Value Management System of Shandong Gold Mining Co., Ltd., which was approved at the Board meeting on 20 March 2025. The system defines the objectives, principles, organizational structure, division of responsibilities, methodologies, market value monitoring and early warning mechanisms, and corresponding measures, establishing a comprehensive market value management framework to ensure compliant, scientific, and systematic execution of related activities.

SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

Fourth, the Company prioritized shareholder returns by increasing dividend distributions. During the Reporting Period, the Company distributed cash dividends for 2024 totaling approximately RMB1.02 billion (including the interim dividend for 2024), representing 40.05% of the net profit attributable to ordinary shareholders of the listed company after deducting perpetual bond interest in the 2024 consolidated statements. This dividend payout ratio reflects an increase of 6.46 percentage points compared to 2023. The Company has institutionalized interim dividend distributions, with a proposed interim cash dividend for 2025 of RMB1.80 per 10 shares (tax inclusive), amounting to approximately RMB805 million, which accounts for 31.45% of the net profit attributable to ordinary shareholders of the listed company after deducting perpetual bond interest for the current period.

Fifth, the Company encouraged share purchases by its controlling shareholder. Demonstrating confidence in the Company's sustained and stable growth prospects and recognition of its long-term investment value, SDG Group, the controlling shareholder, along with its concerted parties, announced a plan to increase their holdings of the Company's A-shares, as and when appropriate, within twelve months from 9 April 2025. The intended purchase amount is between RMB500 million and RMB1 billion. As of 26 August 2025, SDG Group had purchased additional 2,573,090 shares, with a transaction value of RMB79,877,579.08, accounting for 0.0575% of the total share capital. This share purchase plan is ongoing and will continue.

Sixth, the Company continued to standardize corporate governance and enhance the quality of information disclosure. It has consistently improved its internal control system while strengthening internal control and compliance management. With a focus on addressing investor needs, the Company has refined its information disclosures from the perspective of investors. It has also deepened investor relations management, maintaining multi-channel communication and constructive engagement with investors. These efforts earned the Company the 16th "Tianma Award for Investor Relations Management of Listed Companies in China". Additionally, the Company published a high-quality 2024 Sustainability Report, which systematically and comprehensively showcases its achievements in sustainable development. Its WIND ESG rating was upgraded to A.

Moving forward, the Company will continue to implement the "Corporate Value and Return Enhancement" Action Plan, further strengthen the guiding role of its strategy, deepen reform and innovation, and consistently improve corporate governance. By enhancing core competitiveness and pursuing high-quality development, the Company is committed to creating long-term value for shareholders and sharing the fruits of corporate growth with investors.

SECTION 4 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

I. CHANGES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY

☐ Applicable ☒ N/A

Explanation of Changes of Directors, Supervisors and Senior Management of the Company

☐ Applicable ☒ N/A

Pursuant to the election results of the 2025 third extraordinary general meeting and the first meeting of the seventh session of the Board held by the Company on 14 August 2025, the seventh session of the Board is composed of nine Directors, including five non-independent Directors: Han Yaodong, Liu Qin, Xiu Guolin, Xu Jianxin, and Tang Qi; one employee Director: Liu Yanfen; and three independent Directors: Zhan Kai, Liew Fui Kiang, and Zhao Feng. Han Yaodong was elected as Chairman and legal representative of the Company, Liu Qin as Vice Chairman, while Tang Qi was appointed as general manager, Wang Yi as secretary to the Board, and Teng Hongmeng as chief financial officer.

II. PROPOSAL ON PROFIT DISTRIBUTION OR TRANSFER OF CAPITAL RESERVE

Profit distribution proposal or proposal for capitalization of capital reserve proposed for this interim period

Any distribution or capitalization	Yes
Number of bonus shares to be distributed for per 10 shares (share)	0
Amount of dividends to be distributed for per 10 shares (RMB) (tax inclusive)	1.8
Conversion into share capital for per 10 shares (shares)	0

Explanation on proposal on profit distribution or transfer of capital reserve

The Company is proposed to distribute a cash dividend of RMB1.8 per 10 Shares (tax inclusive) to all Shareholders. Based on the total share capital of 4,473,429,525 Shares as of 27 August 2025, the proposed cash dividend amounts to RMB805,217,314.50 (tax inclusive). The cash dividend for the first half of 2025 represents 31.45% of the net profit attributable to ordinary shareholders of the listed company after deducting perpetual bond interest for the period. This profit distribution does not include bonus shares or capitalization of capital reserve. If the total share capital changes before the record date for the equity distribution, the total dividend amount will remain unchanged, with corresponding adjustments to the distribution per share, and specific adjustments will be announced separately.

SECTION 4 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

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

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

☐ Applicable ☒ N/A

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

Equity incentive

☐ Applicable ☒ N/A

Other explanations

☐ Applicable ☒ N/A

Employee shareholding scheme

☐ Applicable ☒ N/A

Other incentive measures

☐ Applicable ☒ N/A

SECTION 4 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

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

✓ Applicable ☐ N/A

Number of enterprises included in the list of enterprises subject to legal environmental disclosure 18

No.	Name of Enterprises	Enquiry index for Legal Environmental Information Disclosure Report
1	Shandong Gold Mining (Laizhou) Co., Ltd. Sanshandao Gold Mine	Enterprise Environmental Information Disclosure System of Shandong Province http://221.214.62.226:8090/EnvironmentDisclosure/
2	Shandong Gold Mining (Laizhou) Co., Ltd. Jiaojia Gold Mine	Enterprise Environmental Information Disclosure System of Shandong Province http://221.214.62.226:8090/EnvironmentDisclosure/
3	Shandong Gold Mining (Linglong) Co., Ltd.	Enterprise Environmental Information Disclosure System of Shandong Province http://221.214.62.226:8090/EnvironmentDisclosure/
4	Shandong Gold Mining Co., Ltd. Xincheng Gold Mine	Enterprise Environmental Information Disclosure System of Shandong Province http://221.214.62.226:8090/EnvironmentDisclosure/
5	Shandong Gold Smelting Co., Ltd.	Enterprise Environmental Information Disclosure System of Shandong Province http://221.214.62.226:8090/EnvironmentDisclosure/
6	Shandong Gold Group Penglai Mining Co., Ltd.	Enterprise Environmental Information Disclosure System of Shandong Province http://221.214.62.226:8090/EnvironmentDisclosure/
7	Shandong Gold Mining (Yinan) Co., Ltd.	Enterprise Environmental Information Disclosure System of Shandong Province http://221.214.62.226:8090/EnvironmentDisclosure/
8	Shandong Jinzhou Mining Group Co., Ltd.	Enterprise Environmental Information Disclosure System of Shandong Province http://221.214.62.226:8090/EnvironmentDisclosure/
9	Shandong Gold Guilaizhuang Mining Co., Ltd.	Enterprise Environmental Information Disclosure System of Shandong Province http://221.214.62.226:8090/EnvironmentDisclosure/
10	Shandong Gold Mining (Laixi) Co., Ltd.	Enterprise Environmental Information Disclosure System of Shandong Province http://221.214.62.226:8090/EnvironmentDisclosure/

SECTION 4 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

No.	Name of Enterprises	Enquiry index for Legal Environmental Information Disclosure Report
11	Chifeng Chaihulanzi Gold Mining Co., Ltd.	Inner Mongolia Enterprise Comprehensive Service Platform http://111.56.142.62:40010/cas/login?pagePublishTicket=888f4e8f2c91403aaf2149d2d9322e91
12	Xihe Zhongbao Mining Co., Ltd.	Enterprise Environmental Information Disclosure System of Gansu Province https://zwfw.sthj.gansu.gov.cn/revealPubVue/#/home
13	Xinjiang Jinchuan Mining Co., Ltd.	Enterprise Environmental Information Disclosure and Credit Evaluation System of Xinjiang Uygur Autonomous Region https://xxpl.xjpmic.cn:9015/index
14	SDG Heavy Industry Co., Ltd. (山金重工有限公司)	Enterprise Environmental Information Disclosure System of Shandong Province http://221.214.62.226:8090/EnvironmentDisclosure/
15	Inner Mongolia Yulong Kuangye Co., Ltd.* (內蒙古玉龍礦業股份有限公司)	Inner Mongolia Enterprise Comprehensive Service Platform http://111.56.142.62:40010/cas/login?pagePublishTicket=888f4e8f2c91403aaf2149d2d9322e91
16	Qinghai Dachaidan Mining Co., Ltd.* (青海大柴旦礦業有限公司)	Enterprise Environmental Information Disclosure System of Qinghai Province http://125.72.26.66:8074/idp-province/#/home
17	Jilin Banmiaozi Mining Co., Ltd.* (吉林板廟子礦業有限公司)	Enterprise Environmental Information Disclosure System of Jilin Province http://36.135.7.198:9015/index#menu_2091
18	Heihe Luoke Kuangye Kaifa Ltd.* (黑河洛克礦業開發有限責任公司)	Enterprise Environmental Information Disclosure System of Heilongjiang Province http://111.40.190.123:8082/eps/index/enterprise-search

Other explanations

☐ Applicable ☒ N/A

SECTION 4 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

V. DETAILS ON CONSOLIDATING AND EXPANDING ACHIEVEMENTS IN POVERTY ALLEVIATION AND RURAL REVITALIZATION

☒ Applicable ☐ N/A

The Company has continued to thoroughly implement the national rural revitalization strategy, leveraging its industrial strengths and resource integration capabilities to achieve positive results in consolidating and expanding poverty alleviation outcomes and advancing rural revitalization in an all-round manner. It has actively created local employment opportunities through targeted recruitment and skills training programs. Committed to fulfilling its social responsibilities, the Company has supported the construction of public infrastructure in rural areas, including road paving, power supply projects, and water conservancy facilities. In the area of educational assistance, it has carried out initiatives such as providing financial aid to university students and donating books and teaching equipment to primary and secondary schools. The Company remains dedicated to balancing economic and social benefits, continuously innovating its support methods to contribute more substantially to the comprehensive advancement of rural revitalization.

SECTION 5 IMPORTANT MATTERS

I. FULFILLMENT OF UNDERTAKINGS

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

✓ Applicable ☐ N/A

Background	Type of undertaking	Undertaking party	Content of undertaking	Date of undertaking	Whether there is a deadline for performance	During of undertaking	Whether	If not performed	If not performed
							strictly	in a timely manner,	in a timely manner,
							performed	describe	describe
							in a timely manner	the specific reasons	plans in next steps
Undertaking relating to the material asset reorganisation	Solving the issues concerning competition in the same industry	SDG Group, Non-ferrous Group	On 26 November 2014, SDG Group and Non-ferrous Group made the following commitments: (1) after the completion of this restructuring, all the business assets owned by their controlled subsidiaries in the PRC territory that meet the requirements for injection into Shandong Gold Mining and which are identical or similar to Shandong Gold Mining's principal business will be injected into Shandong Gold Mining; (2) assets that do not temporarily meet the listing conditions have been entrusted to Shandong Gold for management. Within three years from the issuance of the undertaking letter, the aforesaid assets relating to the gold business will be disposed of by way of external sales, and Shandong Gold shall have the right of first refusal in respect of the aforesaid assets under the same conditions; (3) not to engage in and, to the maximum extent possible, procure their controlled subsidiaries to give up similar businesses of Shandong Gold that they intend to engage in and to transfer to Shandong Gold any similar businesses or business opportunities substantially acquired by them; not to engage in identical or similar businesses as that of Shandong Gold so as to avoid direct or indirect competition with the business operations of Shandong Gold; (4) when there may be an unfair influence on Shandong Gold in terms of market share, business opportunities and allocation of resources, they will voluntarily forego and use its best efforts to procure their controlled subsidiaries to forego business competition with Shandong Gold; (5) they shall compensate Shandong Gold for any losses or expenses suffered or incurred by Shandong Gold due to the violation of any commitment in the undertaking letter. On 10 November 2022, upon approval at the Company's 2022 4th Extraordinary General Meeting, SDG Group and Non-ferrous Group made further commitments as follows: (1) Qinghai Shanjin Mining Co., Ltd., Hainan Shanjin Mining Co., Ltd., Shandong Gold Jinchuang Group Co., Ltd., Songxian Shanjin Mining Co., Ltd., Zhaoyuan Jiuzhou Mining Co., Ltd. and Shandong Chengjin Mining Co., Ltd. in the Company and other enterprises controlled by the Company, which own gold business assets but are not eligible for listing or for the considerations of overall planning, are held by the Company or other enterprises controlled by the Company. The Company undertakes to initiate the procedure of injection into Shandong Gold in accordance with the law if relevant laws and regulations and related requirements of the CSRC are complied with and the following conditions are met or if Shandong Gold deems it necessary to inject into the listed companies from the perspective of strategic layout, endowment of resources and market: normal operation of the business, clear ownership, good compliant status, net asset yields of the active enterprises (where such assets are owned by the enterprises) not lower than the previous year's level of Shandong Gold or the financial internal yields of the non-active enterprises not lower than 8%. The Company will steadily promote the resolution of horizontal competition by giving priority to the injection of the aforesaid assets related to gold business into Shandong Gold before 10 November 2025, or by obtaining prior consent from Shandong Gold to sell them to unrelated third parties if the aforesaid relevant conditions for injection into Shandong Gold are not met or if Shandong Gold is unwilling to acquire them. (2) Not to engage in and, to the maximum extent possible, procure the subsidiaries controlled by the Company to give up similar businesses of Shandong Gold that they intend to engage in and to transfer to Shandong Gold any similar businesses or business opportunities substantially acquired by them; to ensure that the Company and its controlled subsidiaries will not engage in identical or similar businesses as that of Shandong Gold so as to avoid direct or indirect competition with the business operations of Shandong Gold. (3) When the Company or its controlled subsidiaries may have unfair influence on Shandong Gold in terms of market share, business opportunities and allocation of resources, the Company will voluntarily forego and use its best efforts to procure the subsidiaries controlled by the Company to forego business competition with Shandong Gold. (For details, please refer to the Company's Announcement No. Lin 2022-072 on the website of Shanghai Stock Exchange (http://www.sse.com.cn))	10 November 2022	Yes	Before 10 November 2025	Yes		

SECTION 5 IMPORTANT MATTERS

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

SECTION 5 IMPORTANT MATTERS

Background	Type of undertaking	Undertaking party	Content of undertaking	Date of undertaking	Whether there is a deadline for performance	During of undertaking	Whether strictly performed in a timely manner	If not performed in a timely manner, describe reasons	If not performed in a timely manner, describe plans in next steps
Undertaking relating to the material asset reorganisation	Others	Non-ferrous Group, Wang Zhiqiang (王志强), Jinmao Mining	(1) The Qijagou-Hulu Route Exploration Right has met the statutory conditions for conversion to a Mining Right, and the Mining License can be completed within the time frame estimated in the Evaluation Report on the Exploration Right for Gold Exploration in the Deep Part and Periphery of Qijagou-Hulu Route Mining Area, Penglai City, Shandong Province (Haidren Kuangping Baozi [2014] No. 53); (2) The Qijagou-Hulu Route Exploration Right can be used to apply for and obtain the Mining License in accordance with the mine design production scale specified in the Evaluation Report.	12 August 2015	Yes	31 August 2017	No	This exploration right has been included in the Plan for the Integration, Optimization and Adjustment of Gold Mineral Resources in Penglai District, Yantai City, which was approved by the People's Government of Penglai District. The new mining license after integration was obtained in July 2024.	
Undertaking relating to the material asset reorganisation	Others	Gold Geological Exploration	(1) The Xinli Exploration Right has met the statutory conditions for conversion to a Mining Right, and the Mining Right can be completed within the time frame estimated in the Evaluation Report on the Exploration Right for Gold Exploration in Xinli Village, Laizhou City, Shandong Province (Zhonglian Pingkuang Baozi [2014] No. 1123); (2) The Xinli Exploration Right can be used to apply for and obtain the Mining License in accordance with the mine design production scale specified in the Evaluation Report.	12 August 2015	Yes	30 June 2017	No	Pursuant to the Reply of the People's Government of Shandong Province on the Integration of Mineral Resources of Sanshandao Gold Mine of Shandong Gold Group Co., Ltd. (Lu Zheng Zi [2017] No. 99), the Company has integrated two Mining Rights (i.e., the Mining Right of Sanshandao Gold Mine and the Mining Right of Xinli Gold Mine) and three Exploration Rights (i.e., the Detailed Geological Survey of the Periphery of Sanshandao Gold Mine Area, the Gold Exploration of the 55-91 Line Ore Section in Xinli Mining Area, and the Gold Exploration of Xinli Village Gold Mine) under its ownership, with Sanshandao Gold Mine as the integration entity. The new integrated Mining License was obtained in 2019.	

SECTION 5 IMPORTANT MATTERS

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

SECTION 5 IMPORTANT MATTERS

Background	Type of undertaking	Undertaking party	Content of undertaking	Date of undertaking	Whether there is a deadline for performance	Duration of undertaking	Whether strictly performed in a timely manner	If not performed in a timely manner, describe reasons	If not performed in a timely manner, describe plans in next steps
Undertaking relating to the material asset reorganisation	Others	Non-ferrous Group	(1) The Company undertakes that the 70.65% equity interest in Pingji County Gulaizhuang Mining Co., Ltd. (山東黃金歸來莊礦業有限公司) (hereinafter referred to as "Gulaizhuang Company") and the 51% equity interest in Shandong Gold Group Penglai Mining Co., Ltd. (山東黃金集團蓬萊礦業有限公司) (hereinafter referred to as "Penglai Mining") held by the Company are all obtained through legal means; the registered capital of the aforesaid enterprises has been fully paid up, and there is no situation of insufficient capital contribution or any factor affecting their legal existence; the ownership of the aforesaid equity interests held by the Company is clear and complete, and the Company has legal and complete right to dispose of the aforesaid equity interests; the aforesaid equity interests are free from restrictive circumstances such as pledges, guarantees or other third-party rights, and there are no other circumstances restricting transfer such as being sealed up, frozen or entrusted for management; (2) The Company undertakes that the business operated by the Target Assets held thereby is legal, and the asset rights owned thereby are complete: A. The Target Companies have obtained or are in the process of applying for all valid approvals and licenses required for owning and operating their properties and assets as well as conducting the business currently operated, and there are no substantive legal obstacles to the approvals and licenses that are still being processed; B. The Target Companies have legal and complete ownership, right to use or right of disposal over their assets; C. If the competent authority requires the Target Companies to make supplementary payment of mineral right fees for their Mineral Rights, the Company is willing to compensate Shandong Gold with cash equivalent to the amount of supplementary fees that the Company shall bear (i.e., the amount of supplementary fees multiplied by the proportion of the Target Companies' equity interests held by the Company); (3) In the operation of the Target Companies, there is no situation where a third party claims rights or initiates litigation against the Target Companies due to infringement of any third party's patents, copyrights, trademarks or similar intellectual property rights; (4) The Target Companies have not signed any business contracts or arrangements with abnormal commercial terms, which would have a material adverse impact on the financial or asset status of the Target Companies; (5) Except as already disclosed to Shandong Gold, the Target Companies have no equity investments, equity-like investments or investment commitments to any person; (6) Except as already disclosed to Shandong Gold, the Target Companies have no outstanding loans, contingent liabilities or other forms of liabilities; (7) The Target Companies have not received any legally binding written notice from any creditor that the creditor will compulsorily dispose of any assets of the Target Companies; (8) Since their establishment, the Target Companies have paid taxes in accordance with the law, with no material taxes due but unpaid, and have not been subject to any material tax investigations or penalties; (9) The financial statements of the Target Companies provided to Shandong Gold truly and fairly reflect the assets, liabilities (including contingent liabilities, liabilities with undetermined amounts or disputed liabilities) of the Target Companies as of the corresponding date of the financial statements, as well as the profits or losses of the Target Companies for the financial period corresponding to the financial statements; such financial statements comply with the applicable accounting principles and truly reflect the financial status of the Target Companies as of the corresponding date or for the corresponding period of the financial statements; (10) There are no pending lawsuits, arbitrations, investigations, claims or other proceedings against the Target Companies, nor any such proceedings that the Company or the Target Companies are aware of as likely to be initiated, except for lawsuits, arbitrations, investigations, claims or other proceedings that would not have a material adverse impact on the Target Companies individually or in the aggregate; (11) The Company undertakes that, with respect to the collective land currently used by Penglai Mining under lease for its main production and operation purposes, the State-owned Land Use Right Certificate shall be completed by 30 June 2020, and the House Ownership Certificate for the production and operation houses constructed on the land with the relevant State-owned Land Use Right Certificate shall also be completed by the same date; and the Company shall bear the relevant expenses such as land transfer fees incurred in the application for the aforesaid State-owned Land Use Right Certificate and House Ownership Certificate in proportion to the equity interest of Penglai Mining held by the Company; (12) The Company undertakes to standardize and rectify the historical over-mining issues of Gulaizhuang Company.	27 November 2014	No	Long term	No	As of the disclosure date of this report, Penglai Mining has not yet completed the procedures for obtaining land and property ownership certificates for the land and properties used in its production and operation. This is due to the impact of various policy factors, including the delineation of the ecological red line in Shandong Province, the integration of gold mineral resources in Yantai, Shandong Province, obstacles in the land use policies for mining enterprises, and the shortage of land quotas.	At the request of Non-ferrous Group, Jinmao Mining, and Wang Zhiqiang, the time limit for fulfilling the commitment to rectify the land defects of Penglai Mining has been extended to 30 June 2023. The Company has been actively discussing with Non-ferrous Group, Wang Zhiqiang, and Jinmao Mining the subsequent plan for improving the arrangements related to the ownership of land and houses of Penglai Mining. Currently, the "Yanshan Integration Area Mining Project" of Penglai Mining is in the process of going through the project verification procedures, and the application materials for land use preliminary examination have been approved by Yantai Municipal Bureau of Natural Resources and Planning. After obtaining the project verification approval, the Company will carry out the land use declaration work and strive to improve the ownership of land and houses as soon as possible.

SECTION 5 IMPORTANT MATTERS

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

SECTION 5 IMPORTANT MATTERS

Background	Type of undertaking	Undertaking party	Content of undertaking	Date of undertaking	Whether there is a deadline for performance	Duration of undertaking	Whether strictly performed in a timely manner	If not performed in a timely manner, describe reasons	If not performed in a timely manner, describe plans in next steps
Undertaking relating to the material asset reorganisation	Others	Jinmao Mining; Wang Zhiqiang	(1) The Company undertakes that the ownership of the equity interest in Penglai Mining held thereby is clear and complete, and the Company has legal and complete right to dispose of the aforesaid equity interests; the aforesaid equity interests are free from restrictive circumstances such as pledges, guarantees or other third-party rights, and there are no other circumstances restricting transfer such as being sealed up, frozen or entrusted for management; (2) The Company undertakes that the business operated by the Target Assets held thereby is legal, and the asset rights owned thereby are complete: A. The Target Companies have obtained or are in the process of applying for all valid approvals and licenses required for owning and operating their properties and assets as well as conducting the business currently operated, and there are no substantive legal obstacles to the approvals and licenses that are still being processed; B. The Target Companies have legal and complete ownership, right to use or right of disposal over their assets; C. If the competent authority requires the Target Companies to make supplementary payment of mineral right fees for their Mineral Rights, the Company is willing to compensate Shandong Gold with cash equivalent to the amount of supplementary fees that the Company shall bear (i.e., the amount of supplementary fees multiplied by the proportion of the Target Companies' equity interests held by the Company); (3) In the operation of the Target Companies, there is no situation where a third party claims rights or initiates litigation against the Target Companies due to infringement of any third party's patents, copyrights, trademarks or similar intellectual property rights; (4) The Target Companies have not signed any business contracts or arrangements with abnormal commercial terms, which would have a material adverse impact on the financial or asset status of the Target Companies; (5) Except as already disclosed to Shandong Gold, the Target Companies have no equity investments, equity-like investments or investment commitments to any person; (6) Except as already disclosed to Shandong Gold, the Target Companies have no outstanding loans, contingent liabilities or other forms of liabilities; (7) The Target Companies have not received any legally binding written notice from any creditor that the creditor will compulsorily dispose of any assets of the Target Companies; (8) Since their establishment, the Target Companies have paid taxes in accordance with the law, with no material taxes due but unpaid, and have not been subject to any material tax investigations or penalties; (9) The financial statements of the Target Companies provided to Shandong Gold truly and fairly reflect the assets, liabilities (including contingent liabilities, liabilities with undetermined amounts or disputed liabilities) of the Target Companies as of the corresponding date of the financial statements, as well as the profits or losses of the Target Companies for the financial period corresponding to the financial statements; such financial statements comply with the applicable accounting principles and truly reflect the financial status of the Target Companies as of the corresponding date or for the corresponding period of the financial statements; (10) There are no pending lawsuits, arbitrations, investigations, claims or other proceedings against the Target Companies, nor any such proceedings that the Company or the Target Companies are aware of as likely to be initiated, except for lawsuits, arbitrations, investigations, claims or other proceedings that would not have a material adverse impact on the Target Companies individually or in the aggregate; (11) The Company undertakes that, with respect to the collective land currently used by Penglai Mining under lease for its main production and operation purposes, the State-owned Land Use Right Certificate shall be completed by 30 June 2020, and the House Ownership Certificate for the production and operation houses constructed on the land with the relevant State-owned Land Use Right Certificate shall also be completed by the same date; and the Company shall bear the relevant expenses such as land transfer fees incurred in the application for the aforesaid State-owned Land Use Right Certificate and House Ownership Certificate in proportion to the equity interest of Penglai Mining held by the Company.	26 November 2014	No	Long term	No	As of the disclosure date of this report, Penglai Mining has not yet completed the procedures for obtaining land and property ownership certificates for the land and properties used in its production and operation. This is due to the impact of various policy factors, including the delineation of the ecological red line in Shandong Province, the integration of gold mineral resources in Yantai, Shandong Province, obstacles in the land use policies for mining enterprises, and the shortage of land quotas.	At the request of Non-ferrous Group, Jinmao Mining, and Wang Zhiqiang, the time limit for fulfilling the commitment to rectify the land defects of Penglai Mining has been extended to 30 June 2023. The Company has been actively discussing with Non-ferrous Group, Wang Zhiqiang, and Jinmao Mining the subsequent plan for improving the arrangements related to the ownership of land and houses of Penglai Mining. Currently, the "Yanshan Integration Area Mining Project" of Penglai Mining is in the process of going through the project verification procedures, and the application materials for land use preliminary examination have been approved by Yantai Municipal Bureau of Natural Resources and Planning. After obtaining the project verification approval, the Company will carry out the land use declaration work and strive to improve the ownership of land and houses as soon as possible.

SECTION 5 IMPORTANT MATTERS

Background	Type of undertaking	Undertaking party	Content of undertaking	Date of undertaking	Whether there is a deadline for performance	During of undertaking	Whether strictly performed in a timely manner	If not performed in a timely manner, describe the specific reasons	If not performed in a timely manner, describe the plans in next steps
							Whether strictly performed in a timely manner	If not performed in a timely manner, describe the specific reasons	If not performed in a timely manner, describe the plans in next steps
Undertaking relating to the initial public offering	Solving the issues concerning competition in the same industry	SDG Group	The Company has priority over the Group Co. and its other wholly-owned and holding subsidiaries (excluding the Company) in obtaining Exploration Rights and Mining Rights. If the Company gives its consent, the aforesaid acts shall be carried out by the Company in accordance with the terms agreed by the Company.	28 August 2002	No	Long term	Yes		
Undertakings relating to refinancing	Others	SDG Group	To properly advance the private placement of A-shares of Shandong Gold Mining Co., Ltd., the Company undertakes to assume liability for compensation for any losses incurred by Shandong Gold Mining Co., Ltd. and investors in this private placement due to matters related to the former Jincheng Gold Mine, if any. The Company has no disputes, conflicts or potential disputes with Shandong Gold Mining (Laizhou) Co., Ltd. regarding matters related to the former Jincheng Gold Mine.	10 November 2022	Yes	The implementation of this refinancing investment project has been completed	Yes		

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

☐ Applicable ☒ N/A

III. ILLEGAL GUARANTEE

☐ Applicable ☒ N/A

IV. AUDIT OF INTERIM REPORT

☐ Applicable ☒ N/A

V. CHANGES AND TREATMENT OF MATTERS RELATED TO MODIFIED OPINIONS IN THE ANNUAL REPORT OF PREVIOUS YEAR

☐ Applicable ☒ N/A

VI. MATTERS RELATING TO BANKRUPTCY AND REORGANISATION

☐ Applicable ☒ N/A

SECTION 5 IMPORTANT MATTERS

VII. MATERIAL LITIGATIONS AND ARBITRATIONS

☐ The Company has material litigations and arbitrations during the Reporting Period ☐ The Company has no material litigations and arbitrations during the Reporting Period

(I) Litigation and Arbitration Disclosed in Provisional Announcements and without Subsequent Development

☐ Applicable ☒ N/A

(II) Litigation and Arbitration Not Disclosed in Provisional Announcements or with Subsequent Development

☐ Applicable ☒ N/A

(III) Other Explanations

☐ Applicable ☒ N/A

VIII. SITUATIONS OF POTENTIAL VIOLATIONS OF LAWS AND REGULATIONS BY, AND PUNISHMENT AND RECTIFICATION AGAINST THE LISTED COMPANY AND ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDERS AND ACTUAL CONTROLLERS

☐ Applicable ☒ N/A

IX. DESCRIPTION OF THE CREDIT STATUS OF THE COMPANY AND ITS CONTROLLING SHAREHOLDERS, ACTUAL CONTROLLERS DURING THE REPORTING PERIOD

☐ Applicable ☒ N/A

SECTION 5 IMPORTANT MATTERS

X. MATERIAL CONNECTED TRANSACTIONS

(I) Connected Transactions Related to Daily Operation

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

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

3. Matters which were not disclosed in provisional announcements

☐ Applicable ☒ N/A

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

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

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

3. Matters which were not disclosed in provisional announcements

☐ Applicable ☒ N/A

4. Results which are related to results agreements and shall be disclosed for the Reporting Period

☐ Applicable ☒ N/A

SECTION 5 IMPORTANT MATTERS

(III) Material Connected Transactions Relating to Common External Investments

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

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

3. Matters which were not disclosed in provisional announcements

☐ Applicable ☒ N/A

(IV) Connected Creditors' Rights and Debt Transactions

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

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

3. Matters which were not disclosed in provisional announcements

☐ Applicable ☒ N/A

SECTION 5 IMPORTANT MATTERS

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

✓ Applicable ☐ N/A

1. Deposit business

✓ Applicable ☐ N/A

Unit: RMB0'000 Currency: RMB

Related party	Related relationship	Maximum daily deposit limit	Range of deposit rates	Beginning balance	Amount incurred during the period		Ending balance
					Total amount deposited in the period	Total amount withdrawn in the period	
Shandong Gold Group Finance Co., Ltd. (山東黃金集團財務有限公司)	Finance company in which the controlling shareholder holds 70% of the shares	360,000.00	0.35%-2.03%	327,379.81	8,981,318.12	9,022,831.90	285,866.03
Total	/	/	/	327,379.81	8,981,318.12	9,022,831.90	285,866.03

Note: In accordance with the provisions of the Framework Agreement on Financial Services signed between the Company and Shandong Gold Group Finance Co., Ltd. (hereinafter referred to as "SDG Finance Co."), the daily deposit balance of the Company's members in SDG Finance Co. shall not exceed RMB3.6 billion in 2025.

2. Loan business

✓ Applicable ☐ N/A

Unit: RMB0'000 Currency: RMB

Related party	Related relationship	Loan limit	Range of loan interest rate	Beginning balance	Amount incurred during the period		Ending balance
					Total amount borrowed in the period	Total amount repaid in the period	
Shandong Gold Group Finance Co., Ltd.	Finance company in which the controlling shareholder holds 70% of the shares	480,000.00	2.11%-2.8%	217,870.00	51,400.00	95,620.00	173,650.00
Total	/	/	/	217,870.00	51,400.00	95,620.00	173,650.00

SECTION 5 IMPORTANT MATTERS

3. Facilities business or other financial business

☒ Applicable ☐ N/A

Unit: RMB0'000 Currency: RMB

Related party	Related relationship	Business type	Total	Actual transaction amount
Shandong Gold Group Finance Co., Ltd.	Finance company in which the controlling shareholder holds 70% of the shares	Comprehensive credit facilities	600,000.00	600,000.00
Shandong Gold Group Finance Co., Ltd.	Finance company in which the controlling shareholder holds 70% of the shares	Loans and other financing	480,000.00	356,902.18
Shandong Gold Group Finance Co., Ltd.	Finance company in which the controlling shareholder holds 70% of the shares	Overdraft of legal person accounts	100,000.00	33,000.00

- Notes: 1. The total amount of comprehensive credit facilities is RMB6 billion. Pursuant to the provisions of the Framework Agreement on Financial Services signed between the Company and SDG Finance Co., the total credit facilities provided by SDG Finance Co. to the Company's members shall not exceed RMB6 billion in 2025.
2. The total amount of loans and other financing, which is RMB4.8 billion, represents the maximum daily balance. Pursuant to the provisions of the Framework Agreement on Financial Services signed between the Company and SDG Finance Co., the maximum daily balance of loans and other financing provided by SDG Finance Co. to the Company's members shall not exceed RMB4.8 billion in 2025.
3. The total amount of the overdraft of legal person accounts, which is RMB1 billion, represents the maximum daily balance. Pursuant to the provisions of the Framework Agreement on Financial Services signed between the Company and SDG Finance Co., the maximum daily balance of the overdraft services provided by SDG Finance Co. to the Company's members shall not exceed RMB1 billion in 2025.
4. The service types covered by loans and other financing include working capital loans, project loans, letters of guarantee, domestic letters of credit, bill acceptance and discounting, etc.
5. The actual amount incurred for loans and other financing as well as overdraft of legal person accounts refers to the actual maximum daily balance incurred.

4. Other explanations

☐ Applicable ☒ N/A

(VI) Other Major Connected Transactions

☐ Applicable ☒ N/A

(VII) Others

☐ Applicable ☒ N/A

SECTION 5 IMPORTANT MATTERS

XI. MATERIAL CONTRACTS AND THEIR EXECUTION

(I) Trust, Contracting and Leasing Matters

☐ Applicable ☒ N/A

(II) Material Guarantee and Outstanding Material Guarantee During the Reporting Period

✓ Applicable ☐ N/A

Unit: RMB0'000 Currency: RMB

[illegible]

SECTION 5 IMPORTANT MATTERS

(III) Other Material Contracts

✓ Applicable ☐ N/A

M&A Agreement

Currency: RMB

Contract name	Contract signing parties	Contract content	Contract amount	Signing time	Performance status
Asset Restructuring and Transfer Agreement of Pingdu Jinxing Gold Mine in Qingdao City	Party A: Shandong Gold Mining (Xinhui) Co., Ltd. Party B: Pingdu Jinxing Gold Mine in Qingdao City Party C: Dazhuangzi Village Committee of Xinhe Town (Former Huibu Town), Pingdu City	Party C is the legitimate investor of Party B. Party A, Party B, and Party C have signed the Asset Restructuring and Transfer Agreement of Pingdu Jinxing Gold Mine in Qingdao City. After the restructuring of Party B's main assets, liabilities, and personnel, Party A will acquire the target asset package.	RMB174.1797 million	2017.09.26	The acquisition has been completed, and the payment is in the process of performance.
Contract for the Transfer of Exploration Rights of Deep Gold Deposits in Linglong Mining Area, Zhaoyuan City, Shandong Province	Party A (Transferor): Shandong Gold Group Co., Ltd. Party B (Transferee): Shandong Gold Mining (Linglong) Co., Ltd.	Party A shall transfer the "Exploration Rights of Deep Gold Deposits in Linglong Mining Area, Zhaoyuan City, Shandong Province" to Party B.	RMB79.6372 million	2017.11.01	The transfer of the mineral rights has been completed, and the payment is in the process of performance.
Mining Rights Lease Agreement	Party A (Lessor): Laizhou Ludi Mining Investment and Development Co., Ltd. Party B (Lessee): Shandong Gold Mining (Laizhou) Co., Ltd.	Party B, due to the need for the overall planning, development of the Jiaojia Gold Mine after integration, leases the original Jincheng Gold Mine Mining Right owned by Party A within the scope of the Jiaojia Gold Mine for construction purposes.	Annual rent: RMB31.9491 million	2022.05.29	The contract is being performed.
Asset Transfer Contract	Party A (Transferor): Shandong Jinchuang Co., Ltd. Party B (Transferee): Shandong Gold Group Penglai Mining Co., Ltd.	Party A shall transfer the Qigouyifen Mine asset package held by it to Party B, including: intangible assets (two mineral rights and one land use right), fixed assets (including buildings and structures, shaft and drift engineering, equipment and other fixed assets), current assets and other assets.	RMB465.1730 million	2023.07.28	Penglai Mining has obtained the mining license for the Yanshan integrated area, and the payment is in the process of performance.
Supplementary Agreement on the Transfer of the Asset Package of Qigouyifen Mine	Party A: Shandong Jinchuang Co., Ltd. Party B: Shandong Gold Group Penglai Mining Co., Ltd. Party C: Shandong Gold Jinchuang Group Co., Ltd.	Party B shall undertake the liabilities of RMB324,047,187.67 and the personnel under the mineral rights related to the asset package project of Qigouyifen Mine owned by Party A. The liabilities include: a loan of RMB321,000,000.00 from Party A to Party C, the shaft and drift construction project payment of RMB1.2791 million to Penglai Branch of Shandong Huaxin Mining Engineering Co., Ltd., and the land reclamation fee of RMB1.7681 million to the Natural Resources Bureau of Penglai District, Yantai City.	RMB 324,047,187.67	2023.08.02	Penglai Mining has obtained the mining license for the Yanshan integrated area, and the payment is in the process of performance.

SECTION 5 IMPORTANT MATTERS

Contract name	Contract signing parties	Contract content	Contract amount	Signing time	Performance status
Contract for the Transfer of the Mineral Rights Asset Package Related to "Yanshan, Tuwu and Cishan"	Party A (Transferor): Shandong Gold Jinchuang Group Co., Ltd. Party B (Transferee): Shandong Gold Group Penglai Mining Co., Ltd.	Party B acquires the asset package consisting of the relevant assets and liabilities of the Yanshan Mining Area of Daliuhang Gold Mine in Penglai District, Yantai City, as well as 3 mineral rights, related assets, liabilities and personnel, which are held by Party A.	RMB 405,818,216.57	2023.08.31	Penglai Mining has obtained the mining license for the Yanshan integrated area, and the payment is in the process of performance.
Contract for the Transfer of Exploration Rights	Party A (Transferor): Shandong Gold Geological and Mineral Exploration Co., Ltd. Party B (Transferee): Shandong Gold Mining Co., Ltd.	Party A shall transfer the exploration right of "Exploration of Gold Mine in Xiling Village, Laizhou City, Shandong Province" held by it to Party B.	RMB 10.3342487 billion	2024.01.16	The transfer of mineral rights has been completed. The original mining right of Sanshandao Gold Mine and the exploration right of Xiling Gold Mine have been integrated into one mining right. The payment is in the process of performance.
Equity Transfer Agreement	Party A (Transferors): You Xiansheng (游憲生), Guo Ruchong (郭汝冲), Chen Jianxin (陳建新), He Jianyang (何建陽), Huang Yitan (黃依談), Liu Ronghuan (劉榮環) Party B (Transferee): Shandong Gold Mining Co., Ltd. Party C (Target Company): Baotou Changtai Mining Co., Ltd.	You Xiansheng, Guo Ruchong, Chen Jianxin, He Jianyang, Huang Yitan, and Liu Ronghuan, the six natural person shareholders, shall transfer the 70% equity interest in Changtai Mining held by them to Party B.	RMB471.1000 million	2024.03.11	The registration of equity transfer changes has been completed, and all payments have been fully made as of 30 June 2025.
Asset Transfer Agreement	Party A (Transferee): Chifeng Chaihulanzi Gold Mining Co., Ltd. Party B (Transferor): Chifeng Hexin Mining Co., Ltd. Party C (Guarantor): Hu Xiaoqing (胡小青)	Party B shall transfer the "Shihuiyaogou Iron Mine of Chifeng Hexin Mining Co., Ltd.", the exploration right of "Detailed Exploration of the Deep Part of Shihuiyaogou Iron Mine of Chifeng Hexin Mining Co., Ltd.", and auxiliary assets such as shaft and drift engineering within the mining area scope, all of which are held by Party B, to Party A.	RMB42.2800 million	2024.12.15	The delivery of auxiliary assets has been completed. A payment of RMB8.456 million was made on 17 January 2025, and as of the date of issuance of this report, the registration of changes for the transfer of the subject mineral rights is in progress.

SECTION 5 IMPORTANT MATTERS

XII. DESCRIPTION FOR OTHER MATERIAL MATTERS

✓Applicable □ N/A

Gold exploration permits of the company's controlling shareholder, sdg group

The Company's controlling shareholder, SDG Group, engages in gold mining related operations, including geological exploration and mining of gold, gold processing, gold smelting and technical services, and production and sales of specialized equipment and supplies and construction materials for gold mines. The gold resources of SDG Group are mainly located in the PRC. As of 30 June 2025, it owned 33 gold mine exploration permits in the PRC with an aggregate of approximately 272.57 tonnes of gold resources measured with reference to rules for estimation of China's resource reserves and reviewed and filed with relevant authorities; and 10 gold mine mining permits in the PRC with an aggregate of approximately 107.082 tonnes of measured gold resources.

Statistics of the resources under the exploration permits of SDG Group

No.	Name of exploration permit	Holder of exploration permit	Location	Detected gold content (tonnes)	Whether entrusted by the Company
1	The gold mine at Cangshang-Panjiawuzi District in Laizhou City, Shandong Province (exploration) (山東省萊州市倉上一潘家屋子地區金礦勘探)	Shandong Gold Geological Mine Exploration Co., Ltd.	Jincang Street, Laizhou City, Shandong Province	0.39	Yes
2	The middle and deep level of Liucun gold mine in Laizhou City, Shandong Province (general exploration) (山東省萊州市留村金礦中深部詳查)	Shandong Gold Geological Mine Exploration Co., Ltd.	Hutouya Town, Laizhou City, Shandong Province	2	Yes
3	Zhaojia gold mine in Laizhou City, Shandong Province (exploration) (山東省萊州市趙家金礦勘探)	Shandong Gold Geological Mine Exploration Co., Ltd.	Pinglidian Town, Laizhou City, Shandong Province	Not detected yet	Yes
4	Shangmajia gold mine in Laizhou City, Shandong Province (exploration) (山東省萊州市上馬家金礦勘探)	Shandong Gold Geological Mine Exploration Co., Ltd.	Zhacun Town, Laizhou City, Shandong Province	0.22	Yes
5	Goumabei Gold Mine in Zhaishang Mining District, Min County, Gansu Province (general exploration) (甘肅省岷縣寨上礦區溝麻背金礦詳查)	Shandong Gold Geological Mine Exploration Co., Ltd.	Min County, Gansu Province	20.145	Yes
6	The gold mine at Qianlijia District in Laizhou City, Shandong Province (general exploration) (山東省萊州市前李家地區金礦普查)	Shandong Gold Geological Mine Exploration Co., Ltd.	Laizhou City, Shandong Province	0.404	Yes
7	The gold mine at Dayinjia mine area in Laizhou City, Shandong Province (exploration) (山東省萊州市大尹家礦區金礦勘探)	Shandong Jindi Mining Co., Ltd.	Zhuqiao Town, Pinglidian Town, Laizhou City, Shandong Province	Not detected yet	Yes
8	The gold mine at Shanglanzi mine area in Penglai City, Shandong Province (exploration) (山東省蓬萊市上嵐子礦區金礦勘探)	Shandong Gold Jinchuang Group Co., Ltd.	Yanzikuang Village, Daliuhang Town, Penglai City, Shandong Province	3.6	Yes
9	The gold mine in Shuiwangzhuang mining area, Zhaoyuan City, Shandong Province (exploration) (山東省招遠市水旺莊礦區金礦勘探)	Zhaoyuan Jiuzhou Mining Co., Ltd.	Zhaoyuan City, Shandong Province	186.1	Yes
10	The gold mine in Lijiazhuang mining area, Zhaoyuan City, Shandong Province (exploration) (山東省招遠市李家莊礦區金礦勘探)	Shandong Chengjin Mining Co., Ltd.	Zhaoyuan City, Shandong Province	17.05	Yes
11	The gold mine at Jiuzhanggou West in Song County, Henan Province (general exploration) (河南省嵩縣九仗溝西金礦普查)	Songxian Shanjin Mining Co., Ltd.	Song County, Henan Province	Not detected yet	Yes

SECTION 5 IMPORTANT MATTERS

No.	Name of exploration permit	Holder of exploration permit	Location	Detected gold content (tonnes)	Whether entrusted by the Company
12	The gold mine at the outer rim of Dayaokeng mine area in Zhenghe County, Fujian Province (general exploration) (福建省政和縣大藥坑礦區金礦外圍地質詳查)	Fujian Province Zhenghe Hongkun Mining Co., Ltd.	Dayaokeng Village, Xingxi Town, Zhenghe County, Fujian Province	Not detected yet	Yes
13	The gold mine at the deep level of Dayaokeng mine area in Zhenghe County, Fujian Province (general exploration) (福建省政和縣大藥坑礦區金礦深部詳查)	Fujian Province Zhenghe Hongkun Mining Co., Ltd.	Dayaokeng Village, Xingxi Town, Zhenghe County, Fujian Province	Au: 0.89 Ag: 21.09	Yes
14	The gold and copper mine in the outer rim of Xingxi mine area in Zhenghe County, Fujian Province (general exploration) (福建省政和縣星溪礦區外圍金銅礦詳查)	Fujian Province Zhenghe Dayuan Mining Co., Ltd.	Zhenghe County, Fujian Province	Not detected yet	Yes
15	The gold mine at Asiha (Kere) District in Dulan County, Qinghai Province (general exploration) (青海省都蘭縣阿斯哈(可熱)地區金礦詳查)	Qinghai Shanjin Mining Co., Ltd.	Gouli Town, Dulan County, Qinghai Province	8.03	Yes
16	Walega gold mine in Dulan County, Qinghai Province (general exploration) (青海省都蘭縣瓦勒尕金礦詳查)	Qinghai Shanjin Mining Co., Ltd.	Gouli Town, Dulan County, Qinghai Province	8.02	Yes
17	The outer rim of Walega gold mine in Dulan County, Qinghai Province (general exploration) (青海省都蘭縣瓦勒尕金礦外圍詳查)	Qinghai Shanjin Mining Co., Ltd.	Gouli Town, Dulan County, Qinghai Province	Not detected yet	Yes
18	The gold mine at Daligigetang District in Dulan County, Qinghai Province (general exploration) (青海省都蘭縣達里古格塘地區金礦普查)	Qinghai Shanjin Mining Co., Ltd.	Gouli Town, Dulan County, Qinghai Province	Not detected yet	Yes
19	Guoluolongwa gold mine in Dulan County, Qinghai Province (general exploration) (青海省都蘭縣果洛龍窪金礦詳查)	Qinghai Shanjin Mining Co., Ltd.	Gouli Town, Dulan County, Qinghai Province	12.94	Yes
20	Guoluolongwa gold mine (below 3,740 meters) in Dulan County, Qinghai Province (general exploration) (青海省都蘭縣果洛龍窪金礦(3,740米以下)普查)	Qinghai Shanjin Mining Co., Ltd.	Gouli Town, Dulan County, Qinghai Province	1.161	Yes
21	Annage gold mine in Dulan County, Qinghai Province (general exploration) (青海省都蘭縣安納格金礦詳查)	Qinghai Shanjin Mining Co., Ltd.	Gouli Town, Dulan County, Qinghai Province	1.67	Yes
22	Dachaidan Hangwei Shengligou gold mine in Qinghai Province (general exploration) (青海省大柴旦行委勝利溝金礦詳查)	Shanjin Western Geological and Minerals Exploration Co., Ltd.	Dachaidan Hangwei, Haixi Prefecture, Qinghai Province	0.56	Yes
23	The gold mine at south Asiha in Dulan County, Qinghai Province (pre-exploration) (青海省都蘭縣阿斯哈南金礦預查)	Shanjin Western Geological and Minerals Exploration Co., Ltd.	Gouli Town, Dulan County, Qinghai Province	Not detected yet	Yes

SECTION 5 IMPORTANT MATTERS

No.	Name of exploration permit	Holder of exploration permit	Location	Detected gold content (tonnes)	Whether entrusted by the Company
24	The gold mine at south Walega in Dulan County, Qinghai Province (pre-exploration) (青海省都蘭縣瓦勒爾南金礦預查)	Shanjin Western Geological and Minerals Exploration Co., Ltd.	Gouli Town, Dulan County, Qinghai Province	Not detected yet	Yes
25	The gold mine at Hongqidian, Tuoli County, Xinjiang (general prospecting) (新疆託裡縣紅旗點金礦普查)	Shanjin Western Geological and Minerals Exploration Co., Ltd.	Tuoli County, Tacheng District, Xinjiang	Not detected yet	Yes
26	The gold mine at Anjiacha in Xihe County, Gansu Province (general exploration) (甘肅省西和縣安家岔金礦普查)	Shanjin Western Geological and Minerals Exploration Co., Ltd.	Xihe County, Gansu	Not detected yet	Yes
27	Tenglongling gold mine in Yiwu County, Xinjiang (general exploration) (新疆伊吾縣騰龍嶺金礦普查)	Shandong Gold Resources Development Co., Ltd.	Yiwu County, Xinjiang	3.7	Yes
28	The outer rim of Siergoumen gold mine in Xihe County, Gansu Province (general exploration) (甘肅省西和縣四兒溝門外圍金礦普查)	Shanjin Western Geological and Minerals Exploration Co., Ltd.	Xihe County, Gansu	Not detected yet	Yes
29	The gold mine in vicinity in Wangjiagou, Xihe County, Gansu Province (general exploration) (甘肅省西和縣王家溝一帶金礦詳查)	Shanjin Western Geological and Minerals Exploration Co., Ltd.	Xihe County, Gansu	1.43	Yes
30	Wuzunbulake gold mine in Gaochang District, Turpan City, Xinjiang (general exploration) (新疆吐魯番市高昌區烏尊布拉克金礦普查)	Inner Mongolia Shanjin Geological Mine Exploration Co., Ltd.	Gaochang District, Turpan City, Xinjiang	Not detected yet	Yes
31	East Wuzunbulake gold mine in Gaochang District, Turpan City, Xinjiang (general exploration) (新疆吐魯番市高昌區烏尊布拉克東金礦普查)	Inner Mongolia Shanjin Geological Mine Exploration Co., Ltd.	Gaochang District, Turpan City, Xinjiang	Not detected yet	Yes
32	The Yinxiangou gold-polymetallic mine in Songshan District, Chifeng City, Inner Mongolia Autonomous Region (general exploration) (內蒙古自治區赤峰市松山區銀線溝金多金屬礦詳查)	Inner Mongolia Shanjin Geological Mine Exploration Co., Ltd.	Songshan District, Chifeng City	Not detected yet	Yes
33	The Tiligentai gold-polymetallic mine in Wengniute County, Chifeng City, Inner Mongolia Autonomous Region (general exploration) (內蒙古自治區赤峰市翁牛特旗鐵力根台金多金屬礦普查)	Inner Mongolia Shanjin Geological Mine Exploration Co., Ltd.	Wengniute County, Chifeng City, Inner Mongolia Autonomous Region	Not detected yet	Yes
Total				272.57	

SECTION 5 IMPORTANT MATTERS

Statistics of the resources under the mining permits of SDG Group

No.	Name of exploration permit	Holder of exploration permit	Location	Retained gold content (tonnes)	Whether entrusted by the Company
1	Shandong Gold Jinchuang Group Co., Ltd. Yankou mine area (山東黃金金創集團有限公司奄口礦區)	Shandong Gold Jinchuang Group Co., Ltd.	Yankou area, Daliuhang Town, Penglai, Shandong Province	57.379	Yes
2	Shandong Jinchuang Co., Ltd. Shangkouwangli gold mine area (山東金創股份有限公司上口王李金礦區)	Shandong Jinchuang Co., Ltd.	Daxindian Town, Penglai, Shandong Province	3.879	Yes
3	Shandong Jinchuang Co., Ltd. Heijinding mine area (山東金創股份有限公司黑金頂礦區)	Shandong Jinchuang Co., Ltd.	Daxindian Town, Penglai, Shandong Province	1.538	Yes
4	Shandong Jinchuang Co., Ltd. Heilangou mine area (山東金創股份有限公司黑嵐溝礦區)	Shandong Jinchuang Co., Ltd.	Daxindian Town, Penglai, Shandong Province	16.889	Yes
5	Qingdao Jinxing Mining Co., Ltd. (青島金星礦業股份有限公司)	Qingdao Jinxing Mining Co., Ltd.	Jiudian Town, Pingdu City, Shandong Province	6.124	Yes
6	Hainan Shanjin Mining Co., Ltd. Baolun gold mine in Ledong County (海南山金礦業有限公司樂東縣抱倫金礦)	Hainan Shanjin Mining Co., Ltd.	Ledong County, Hainan Province	12.857	Yes
7	Songxian Shanjin Mining Co., Ltd. (嵩縣山金礦業有限公司)	Songxian Shanjin Mining Co., Ltd.	Shuigou Village, Dazhang Town, Song County, Luoyang	4.27	Yes
8	Fujian Province Zhenghe Hongkun Mining Co., Ltd. Dayaokeng gold mine (福建省政和縣宏坤礦業有限公司大藥坑金礦)	Fujian Province Zhenghe Hongkun Mining Co., Ltd.	Xingxi Town, Zhenghe County, Fujian Province	0.94	Yes
9	Qinghai Shanjin Mining Co., Ltd. Guoluolongwa gold mine in Dulan County (青海山金礦業有限公司都蘭縣果洛龍窪金礦)	Qinghai Shanjin Mining Co., Ltd.	Gouli Town, Dulan County, Qinghai Province	0.751	Yes
10	Fujian Province Zhenghe Dayuan Mining Co., Ltd. sulfur-gold-copper mine of Xingxi mine area (福建省政和縣大源礦業有限公司星溪礦區硫金銅礦)	Fujian Province Zhenghe Dayuan Mining Co., Ltd.	Zhenghe County, Fujian Province	2.455	Yes
Total				107.082	

Notes:

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

SECTION 5 IMPORTANT MATTERS

XIII. OTHER MATTERS

(I) Staff of the Group

As at 30 June 2025, the Group had a total of 21,102 full-time employees. For the six months ended 30 June 2025, the staff cost (including Directors' remuneration in the form of salaries and other benefits) was RMB3,158.42 million.

The Company is strategically oriented, and based on the principle of market oriented allocation, has established a post-performance salary system that is competitive, fair, and motivating internally, and offering competitive salary in line with the external market rate to enhance the performance of employees. The annual salary standard of senior management is determined according to the market rate whilst in consideration of the corporate efficiency, scale, and operational difficulty of his/her respective position and fulfilment of one's target responsibility signed by the senior management annually.

The Group ensured that the remuneration packages of employees are competitive and the remuneration level of its employees was determined on the basis of work performance, with reference to the profitability of the Group, industry remuneration standards and market conditions within the general framework of the Group's remuneration system.

For operation management personnel training of the Group, we aligned with Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, aiming to become an internationally first-class enterprise, with lean management as our goal and improving operational management level as our purpose. We conducted training for management personnel at all levels, covering production operations, human resources, project management, financial auditing, financial management, resource acquisition, and party building and discipline inspection, etc. Professional and technical personnel training was oriented towards enhancing scientific and technological innovation capabilities, with continuing education for professional and technical personnel as a focus, and facilitating the technological progress of the enterprise as the objective. This is achieved through the organization of continuing education for professionals in geophysical exploration, selection, and electrical mechanics, among others, and specialized lectures by expert committees from various disciplines including geophysical exploration, selection, and electrical mechanics. The training of vocational skills employees starts with the cultivation of gold craftsmen, emphasizes the improvement of skill quality, and aims to enhance technical abilities, through which the pre-employment training, continuing education, and self assessment for skilled employees have been successfully accomplished.

(II) Material Change

Save as disclosed herein, there has been no material change in respect of the future developments in the business of the Group since the publication of the Company's 2024 annual report.

(III) Corporate Governance

The Company, being a company listed in Hong Kong and Shanghai, strictly complies with the laws, regulations and regulatory documents of the places where its Shares are listed, and strives to protect and enhance its corporate image. The Company continues to improve its corporate governance structure in compliance with the PRC Company Law and the regulations and requirements of the CSRC, the SFC, the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

The Company is committed to the maintenance of good corporate governance practices. The Board is of the opinion that the Company had complied with all the applicable code provisions as set out in the CG Code during the Reporting Period.

SECTION 5 IMPORTANT MATTERS

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

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by Directors and Supervisors. Having made specific enquiries with all the Directors and Supervisors, each of the Directors and Supervisors has confirmed that he/she has complied with the Model Code during the Reporting Period.

(V) Audit Committee

The audit committee currently comprises of two non-executive Directors, Mr. Han Yaodong and Mr. Liu Qin and three independent non-executive Directors, Mr. Zhan Kai, Mr. Liew Fui Kiang and Ms. Zhao Feng. The chairman of the audit committee is Ms. Zhao Feng. The audit committee has reviewed the interim report of the Group for the six months ended 30 June 2025 and further discussed the auditing, internal control and financial reporting matters. The audit committee considers that the interim report of the Group for the six months ended 30 June 2025 are in compliance with the applicable accounting standards and relevant laws and regulations and have made sufficient disclosure.

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

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

As at 30 June 2025, the Company did not hold any treasury shares.

(VII) Significant Events after the Reporting Period

To improve the work efficiency, on 28 July 2025, the Board has passed a resolution to propose alignment in preparation of the financial reports in accordance with the China Accounting Standards for Business Enterprises and disclosing corresponding financial information by the Company commencing from 2025 interim financial report, and passed a resolution to terminate the re-appointment of SHINEWING (HK) CPA Limited (the "SHINEWING (HK)") as the Company's H-share financial report auditor, and ShineWing Certified Public Accountants (Special General Partnership) will be the sole audit firm of the Company to audit the financial reports of the Company in accordance with China Accounting Standards for Business Enterprises, and will concurrently undertake the responsibilities of the financial report audit firm for both A Shares and H Shares. The relevant resolution has been considered and approved at the 2025 third extraordinary general meeting of the Company held on 14 August 2025. For details, please refer to the Company's announcements dated 28 July 2025 and 14 August 2025, as well as the circular dated 29 July 2025 published on the website of the Hong Kong Stock Exchange.

According to the Company Law of the People's Republic of China implemented on 1 July 2024, the Transitional Arrangements for the Implementation of Supporting Rules and Regulations under the New Company Law and the Guidelines on the Articles of Association of Listed Companies (revised in March 2025) promulgated by China Securities Regulatory Commission, as well as the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (revised in April 2025) and the Self-regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 1 – Standardized Operation (revised in May 2025), along with other relevant laws, regulations, rules and other normative documents, and taking into account the actual situation of the Company, the Company intended to abolish the Supervisory Committee and amend the Articles of Association of Shandong Gold Mining Co., Ltd., the Rules of Procedure for the Shareholders' General Meeting and the Rules of Procedure for the Board of Directors. The relevant resolutions have been considered and approved at the 2025 third extraordinary general meeting of the Company held on 14 August 2025. For details, please refer to the Company's announcements dated 28 July 2025 and 14 August 2025, as well as the circular dated 29 July 2025 published on the website of the Hong Kong Stock Exchange.

SECTION 5 IMPORTANT MATTERS

The resolutions regarding the consideration and approval of the election of new session of the Board for election of the non-independent Directors to the seventh session of the Board of Directors and the resolutions regarding the consideration and approval of the election of new session of the Board for election of the independent Directors to the seventh session of the Board of Directors have been considered and approved by way of cumulative voting at the 2025 third extraordinary general meeting of the Company held on 14 August 2025 (the “EGM”). Mr. Han Yaodong, Mr. Liu Qin, Mr. Xiu Guolin, Mr. Xu Jianxin and Mr. Tang Qi were elected as non-independent Directors of the seventh session of the Board of Directors of the Company at the EGM, and Mr. Zhan Kai, Mr. Liew Fui Kiang and Ms. Zhao Feng were elected as independent Directors of the seventh session of the Board of Directors of the Company at the EGM. In addition, according to the provisions of the Articles of Association, Ms. Liu Yanfen has been elected as an employee Director at the Company’s employees’ representative meeting held on 14 August 2025. The term of office is three years, from the date of the EGM to the expiration of the seventh session of the Board of Directors. The term of office of each Director is three years, from the date of the EGM to the expiration of the term of office of the seventh session of Board of Directors. After the conclusion of the EGM, Mr. Li Hang (Chairman, non-executive Director), Mr. Wang Shuhai (executive Director), Ms. Wang Xiaoling (non-executive Director) and Mr. Wang Yunmin (independent non-executive Director) retired as Directors of the sixth session of the Board of Directors. For details, please refer to the Company’s announcements dated 28 July 2025 and 14 August 2025, as well as the circular dated 29 July 2025 published on the website of the Hong Kong Stock Exchange.

(VIII) DISCLOSURE OF INFORMATION OF DIRECTORS AND SUPERVISORS PURSUANT TO RULE 13.51B(1) OF THE HONG KONG LISTING RULES

Save as disclosed in this interim report, during the Reporting Period, there were no other changes to the information of the Directors and Supervisors as required to be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules.

(IX) LIST OF DIRECTORS

As at the date of this interim report (i.e. 27 August 2025), the executive Directors are Mr. Xiu Guolin, Mr. Xu Jianxin, Mr. Tang Qi and Ms. Liu Yanfen; the non-executive Directors are Mr. Han Yaodong and Mr. Liu Qin; and the independent non-executive Directors are Mr. Zhan Kai, Mr. Liew Fui Kiang and Ms. Zhao Feng.

SECTION 6 CHANGES IN SHARES AND INFORMATION OF SHAREHOLDERS

I. CHANGES IN SHARE CAPITAL

(I) Statement of changes in shares

1. Statement of changes in shares

During the Reporting Period, there were no changes in the total number of the Company's shares or its share capital structure.

2. Explanation on the changes in shares

☐ Applicable ☒ N/A

3. Effect of changes in shares occurred after the Reporting Period up to the date of disclosure of this interim report on financial indicators such as earnings per share and net assets per share (if any)

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

(II) Changes in shares subject to selling restrictions

☐ Applicable ☒ N/A

SECTION 6 CHANGES IN SHARES AND INFORMATION OF SHAREHOLDERS

II. INFORMATION ABOUT SHAREHOLDERS

(I) Total number of shareholders:

Total number of ordinary shareholders as of the end of the Reporting Period	91,382
Total number of shareholders of preference shares with restored voting right as of the end of the Reporting Period	0

(II) Shareholding of top ten shareholders, top ten shareholders of circulating shares (or holders of shares not subject to selling restrictions) as of the end of the Reporting Period

Unit: Share

Name of shareholders (full name)	Shareholding of top ten shareholders (excluding shares lent through securities lending and refinancing)						Nature of shareholder
	Increase/ decrease during the Reporting Period	Number of shares held as at the end of the period	Percentage (%)	Number of shares held subject to selling restrictions	Share pledged, marked or frozen	Share status Number	
Shandong Gold Group Co., Ltd. (山東黃金集團有限公司)	-45,304	1,620,523,947	36.23	0	Pledged	129,954,696	State-owned legal person
Shandong Gold Resources Development Co., Ltd. (山東黃金資源開發有限公司)	0	268,372,049	6.00	0	Nil	0	State-owned legal person
HKSCC Nominees Limited	36,510	858,844,222	19.20	0	Nil	0	Overseas legal person
Hong Kong Securities Clearing Company Limited	44,905,866	125,178,649	2.80	0	Nil	0	Overseas legal person
China Securities Finance Co., Ltd.	0	108,834,732	2.43	0	Nil	0	State-owned legal person
Shandong Gold Non-ferrous Metal Mine Group Co., Ltd. (山東黃金有色礦業集團有限公司)	0	102,941,860	2.30	0	Nil	0	State-owned legal person
National Social Security Fund-Portfolio 112 (全國社保基金一一二組合)	6,300,000	33,888,388	0.76	0	Nil	0	Other
Industrial and Commercial Bank of China Limited – Huatai-Pinebridge CSI 300 Exchange Traded Open-ended Index Securities Investment Fund (中國工商銀行股份有限公司－華泰柏瑞滬深300交易型開放式指數證券投資基金)	995,466	32,227,821	0.72	0	Nil	0	Other
Shandong Gold Group Qingdao Gold Co., Ltd. (山東黃金集團青島黃金有限公司)	0	31,467,157	0.70	0	Nil	0	State-owned legal person
China Construction Bank Corporation Limited – E Fund CSI 300 Open-ended Initiated Index Fund (中國建設銀行股份有限公司－易方達滬深300交易型開放式指數發起式證券投資基金)	1,428,601	22,954,675	0.51	0	Nil	0	Other
Taiping Life Insurance Co., Ltd. – Traditional – General Insurance Product – 022L-CT001SH (太平人壽保險有限公司－傳統－普通保險產品－022L-CT001滬)	2,862,740	20,087,360	0.45	0	Nil	0	Other

SECTION 6 CHANGES IN SHARES AND INFORMATION OF SHAREHOLDERS

Shareholding of top ten Shareholders not subject to selling restrictions (excluding shares lent through securities lending and refinancing)			
Name of shareholder	Number of tradable shares held not subject to selling restrictions	Type and number of shares	
		Type	Number
Shandong Gold Group Co., Ltd.	1,620,523,947	RMB ordinary shares	1,620,523,947
Shandong Gold Resources Development Co., Ltd.	268,372,049	RMB ordinary shares	268,372,049
HKSCC Nominees Limited	858,844,222	Overseas- listed foreign shares	858,844,222
Hong Kong Securities Clearing Company Limited	125,178,649	RMB ordinary shares	125,178,649
China Securities Finance Co., Ltd.	108,834,732	RMB ordinary shares	108,834,732
Shandong Gold Non-ferrous Metal Mine Group Co., Ltd. (山東黃金有色礦業集團有限公司)	102,941,860	RMB ordinary shares	102,941,860
National Social Security Fund-Portfolio 112 (全國社保基金一一二組合)	33,888,388	RMB ordinary shares	33,888,388
Industrial and Commercial Bank of China Huatai- PineBridge CSI 300 Index ETF (中國工商銀行股份有限公司－華泰柏瑞滬 深300交易型開放式指數證券投資基金)	32,227,821	RMB ordinary shares	32,227,821
Shandong Gold Group Qingdao Gold Co., Ltd. (山東黃金集團青島黃金有限公司)	31,467,157	RMB ordinary shares	31,467,157
China Construction Bank Corporation Limited – E Fund CSI 300 Open-ended Initiated Index Fund (中國建設銀行股份有限公司－易方達滬深300 交易型開放式指數發起式證券投資基金)	22,954,675	RMB ordinary shares	22,954,675
Taiping Life Insurance Co., Ltd. – Traditional – General Insurance Product – 022L-CT001SH (太平人壽保險有限公司－傳統－普通保險產品－ 022L-CT001滬)	20,087,360	RMB ordinary shares	20,087,360
Explanation of special accounts for repurchase among the top ten Shareholders	N/A		
Explanation of the proxy voting right, entrusted voting right and waiver of voting right of the aforesaid Shareholders	N/A		
Explanation on the connected relationship or concerted actions among the aforesaid shareholders	There are connected relationships among Shandong Gold Group Co., Ltd., the largest shareholder of the Company and Shandong Gold Non-ferrous Metal Mine Group Co., Ltd., Shandong Gold Resources Development Co., Ltd., and Shandong Gold Group Qingdao Gold Co., Ltd. Shandong Gold Group Co., Ltd. has no connected relationships with other shareholders, which are also not persons acting in concert as defined by Regulations for Disclosure of Changes in Shareholding of Listed Companies (《上市公司股東持股變動信息披露管理辦法》); and the Company is not aware of any connected relationship among other shareholders, or that any of them is person acting in concert defined by Regulations for Disclosure of Changes in Shareholding of Listed Companies.		
Explanation on the restoration of voting rights of holders of preference shares and the number of shares held	N/A		

SECTION 6 CHANGES IN SHARES AND INFORMATION OF SHAREHOLDERS

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

As of 30 June 2025, Shandong Gold Group Co., Ltd. held 1,620,523,947 A-shares in its A-share account, including 1,490,569,251 shares held through its own account and 129,954,696 shares held through the Pledged Account for the non-public issuance of exchangeable corporate bonds to professional investors by Shandong Gold Group Co., Ltd. in 2023. As of the end of June, bondholders had converted a total of 45,304 shares.

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

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

(III) Strategic investors or general legal persons who have become top ten shareholders by virtue of placement of new shares

☐ Applicable ☒ N/A

SECTION 6 CHANGES IN SHARES AND INFORMATION OF SHAREHOLDERS

III. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(I) Changes in shareholding of current and resigned directors, supervisors and senior management during the Reporting Period

☐ Applicable ☒ N/A

Other information

☐ Applicable ☒ N/A

(II) Information on incentive share options granted to directors, supervisors and senior management during the Reporting Period

☐ Applicable ☒ N/A

(III) Other information

☐ Applicable ☒ N/A

IV. CHANGES IN CONTROLLING SHAREHOLDERS OR DE FACTUAL CONTROLLER

☐ Applicable ☒ N/A

V. INFORMATION ABOUT PREFERENCE SHARES

☐ Applicable ☒ N/A

SECTION 6 CHANGES IN SHARES AND INFORMATION OF SHAREHOLDERS

VI. OTHERS

(I) DISCLOSURE OF INTERESTS AND SHORT POSITIONS OF THE SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

As at 30 June 2025, so far as the Directors, Supervisors and chief executive of the Company are aware, the following persons (not being a Director, Supervisor or chief executive of the Company) had interests and long/short positions in the Shares or underlying Shares which were required, pursuant to Section 336 of the SFO, to be entered into the register to be kept by the Company referred to therein, or required to be notified to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of substantial Shareholder	Nature of interest	Class of Shares	Number of Shares or underlying Shares interested	Long/Short position	Approximate percentage of shareholding in the relevant class of Shares	Approximate percentage of shareholding in the total issued share capital
SDG Group Co.	Beneficial owner	A shares	1,620,523,947	Long	44.83%	36.23%
	Interest held by controlled corporation ⁽¹⁾	A shares	406,038,111	Long	11.23%	9.08%
SDG Resources Development	Beneficial owner ⁽²⁾	A shares	268,372,049	Long	7.42%	6.00%
Schroders PLC	Investment manager	H shares	100,905,900	Long	11.75%	2.26%
JPMorgan Chase & Co.	Beneficial owner	H shares	28,338,602	Long	3.30%	0.63%
	Investment manager	H shares	257,000	Long	0.03%	0.01%
	Approved lending agent	H shares	23,087,708	Long	2.69%	0.52%
	Beneficial owner	H shares	26,702,801	Short	3.11%	0.60%

Notes:

- (1) These 406,038,111 A Shares comprise 268,372,049 A Shares held by SDG Resources Development, 102,941,860 A Shares held by Shandong Gold Non-ferrous Metal Mine Group Co., Ltd. ("SDG Non-ferrous"), 31,467,157 A Shares held by Shandong Gold Group Qingdao Gold Co., Ltd. ("Qingdao Gold") and 3,257,045 A Shares held by SDG (Beijing) Industry Investment Co., Ltd. ("Beijing Industry Investment"). Each of SDG Resources Development, SDG Non-ferrous, Qingdao Gold and Beijing Industry Investment is wholly-owned by SDG Group Co.. SDG Group Co. holds 100% equity interest of SDG Non-ferrous. As such, SDG Group Co. is deemed to be interested in the Shares held by SDG Resources Development, SDG Non-ferrous, Qingdao Gold and Beijing Industry Investment for the purpose of the SFO.
- (2) SDG Resources Development is wholly-owned by SDG Group Co., and therefore SDG Group Co. is deemed to be interested in all the Shares held by SDG Resources Development for the purpose of the SFO.

SECTION 6 CHANGES IN SHARES AND INFORMATION OF SHAREHOLDERS

- (3) Pursuant to a corporate substantial shareholder notice dated 26 June 2025 regarding relevant event on 23 June 2025 filed by JPMorgan Chase & Co. with the Hong Kong Stock Exchange, it indirectly held through multiple subsidiaries: (a) 51,683,310 H Shares (long position), comprising (i) 28,338,602 H Shares (long position) held as beneficial owner; (ii) 257,000 H Shares (long position) held as investment manager; and (iii) 23,087,708 H Shares (long position) in securities defined under the SFO as available for lending, held as approved lending agent; and (b) 26,702,801 H Shares (short position) held as beneficial owner. This included (i) 97,000 H Shares (short position) under listed derivatives settled in cash; (ii) 8,488,000 H Shares (long position) and 155,613 H Shares (short position) under unlisted derivatives settled in kind; and (iii) 7,035,550 H Shares (long position) and 3,970,344 H Shares (short position) under unlisted derivatives settled in cash.

Save as disclosed above, as at 30 June 2025, the Directors, Supervisors and chief executive of the Company are not aware of any person (who were not Directors, Supervisors and chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would be required to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or were interested in 5% or more of the nominal value of any class of the share capital carrying the rights to vote in all circumstances at general meetings of the Company, or had an interest or short position which would be required to be entered into the register to be kept by the Company pursuant to Section 336 of the SFO.

(II) DISCLOSURE OF INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE OF THE COMPANY

As at 30 June 2025, none of the Directors, Supervisors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO) that were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions that they have or are deemed to have under the relevant provisions of the SFO); or required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO; or required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

SECTION 7CORPORATE BONDS

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

✓Applicable □N/A

(I) Corporate Bonds (Including Enterprise Bonds)

✓Applicable □N/A

1. Overview of corporate bonds

Unit: RMB100 million Currency: RMB

The Latest Putback Date After 31 August 2025																		Whether There is a Risk of Termination of the Listing
Name of Bonds	Abbreviation	Code	Date of Issuance	Date of Initial Interest Accrued	Date of Maturity	Outstanding Balance of Bonds		Coupon Rate (%)		Payment of Principal and Interest		Place of Trading	Lead Underwriter	Trustee	Appropriate Arrangement of Investors (if any)	Mechanism of Trading	Transaction	
						Balance of Bonds	Bonds	Coupon Rate (%)	Interest	Principal	Interest							
The 2024 Public Issuance of Technology Innovation Corporate Bonds to Professional Investors by Shandong Gold Mining Co., Ltd. (the Second Tranche) (Type 2)	24 Lujin K4	241625	2024/9/10	2024/09/12	-	2034/09/12	10	2.50	Interest to be paid annually, principal to be repaid at maturity	Shanghai Stock Exchange	GF Securities Co., Ltd., Zhongtai Securities Co., Ltd., China International Capital Corporation Limited	GF Securities Co., Ltd., Zhongtai Securities Co., Ltd., China International Capital Corporation Limited	Shanghai Stock Exchange	GF Securities Co., Ltd., Zhongtai Securities Co., Ltd., China International Capital Corporation Limited	Professional institutional investors	Match transaction, click transaction, inquiry transaction, bidding transaction, negotiation transaction	No	
The 2024 Public Issuance of Technology Innovation Corporate Bonds to Professional Investors by Shandong Gold Mining Co., Ltd. (the Second Tranche) (Type 1)	24 Lujin K3	241624	2024/9/10	2024/09/12	-	2027/09/12	10	2.12	Interest to be paid annually, principal to be repaid at maturity	Shanghai Stock Exchange	GF Securities Co., Ltd., Zhongtai Securities Co., Ltd., China International Capital Corporation Limited	GF Securities Co., Ltd., Zhongtai Securities Co., Ltd., China International Capital Corporation Limited	Shanghai Stock Exchange	GF Securities Co., Ltd., Zhongtai Securities Co., Ltd., China International Capital Corporation Limited	Professional institutional investors	Match transaction, click transaction, inquiry transaction, bidding transaction, negotiation transaction	No	

SECTION 7 CORPORATE BONDS

Name of Bonds	Abbreviation	Code	Date of Issuance	Date of Initial Interest Accrued	The Latest Putback		Outstanding Balance of Bonds	Coupon Rate (%)	Payment of Principal and Interest		Place of Trading	Lead Underwriter	Trustee	Appropriate Arrangement of Investors (if any)	Mechanism of Trading	Whether There is a Risk of Termination of the Listing Transaction
The 2024 Public Issuance of Technology Innovation Corporate Bonds to Professional Investors by Shandong Gold Mining Co., Ltd. (the First Tranche) (Type 1)	24-Lujin K1	240785	2024/03/25	2024/03/27	-	2029/03/27	20	2.80	Interest to be paid annually, principal to be repaid at maturity		Shanghai Stock Exchange	GF Securities Co., Ltd., Zhongtai Securities Co., Ltd., China International Capital Corporation Limited	GF Securities Co., Ltd.	Professional institutional investors	Match transaction, click transaction, inquiry transaction, bidding transaction, negotiation transaction	No
The 2023 Public Issuance of Technology Innovation Renewable Corporate Bonds to Professional Investors by Shandong Gold Mining Co., Ltd. (the First Tranche) (See Note 1 for details)	Lujin KY01	240265	2023/11/15	2023/11/17	-	2026/11/17	20	3.19	Interest to be paid annually, principal to be repaid at maturity		Shanghai Stock Exchange	GF Securities Co., Ltd., Zhongtai Securities Co., Ltd., China International Capital Corporation Limited	GF Securities Co., Ltd.	Professional institutional investors	Match transaction, click transaction, inquiry transaction, bidding transaction, negotiation transaction	No
The 2023 Public Issuance of Technology Innovation Renewable Corporate Bonds to Professional Investors by Shandong Gold Mining Co., Ltd. (the Second Tranche) (See Note 2 for details)	Lujin KY02	240334	2023/11/23	2023/11/27	-	2026/11/27	20	3.22	Interest to be paid annually, principal to be repaid at maturity		Shanghai Stock Exchange	GF Securities Co., Ltd., Zhongtai Securities Co., Ltd., China International Capital Corporation Limited	GF Securities Co., Ltd.	Professional institutional investors	Match transaction, click transaction, inquiry transaction, bidding transaction, negotiation transaction	No

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

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

SECTION 7 CORPORATE BONDS

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

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

3. Adjustments to credit rating results

☐ Applicable ☒ N/A

4. Implementation, changes and impact of guarantees, debt repayment plans and other debt repayment protection measures during the Reporting Period

☐ Applicable ☒ N/A

(II) Use of proceeds from corporate bonds

☐ The corporate bonds involved in the use of proceeds or rectification during the Reporting Period

☒ All corporate bonds of the Company did not involve the use of proceeds or rectification during the Reporting Period

(III) Other matters to be disclosed for special types of bonds

☒ Applicable ☐ N/A

1. The Company as the issuer of convertible corporate bonds

☐ Applicable ☒ N/A

2. The Company as the issuer of green corporate bonds

☐ Applicable ☒ N/A

SECTION 7 CORPORATE BONDS

3. The Company as the issuer of renewable corporate bond

✓ Applicable ☐ N/A

Unit: RMB100 million Currency: RMB

Bond code	240265.SH
Bond abbreviation	Lujin KY01
Bond balance	20.00
Renewal	Not involved during the Reporting Period
Interest rate hike	Not involved during the Reporting Period
Deferred interest	Not involved during the Reporting Period
Mandatory interest payment	Not involved during the Reporting Period
Whether it is still included in equity and related accounting treatment	Included in owner's equity – other equity instruments
Other matters	Not applicable
Bond code	240334.SH
Bond abbreviation	Lujin KY02
Bond balance	20.00
Renewal	Not involved during the Reporting Period
Interest rate hike	Not involved during the Reporting Period
Deferred interest	Not involved during the Reporting Period
Mandatory interest payment	Not involved during the Reporting Period
Whether it is still included in equity and related accounting treatment	Included in owner's equity – other equity instruments
Other matters	Not applicable

SECTION 7 CORPORATE BONDS

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

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

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

☒ Applicable ☐ N/A

Unit: RMB100 million Currency: RMB

Applicable issuer category for this bond

- ☒ Sci-tech innovation enterprise
☐ Sci-tech innovation upgrade
☐ Sci-tech innovation investment
☐ Sci-tech innovation incubation
☐ Financial institution

Bond code

241625.SH

Bond abbreviation

24 Lujin K4

Bond balance

10.00

Progress of sci-tech innovation projects

The proceeds from this bond are used to repay mature interest-bearing debts, and no sci-tech innovation projects are involved

Effect on promoting sci-tech innovation development

The issuer is categorized as a sci-tech innovation enterprise
 The proceeds from this bond have all been used to repay interest-bearing debts, which has effectively optimized the debt structure of the sci-tech innovation enterprise

Operation of fund products (if applicable)

Not applicable to this bond

Other matters

Not applicable

SECTION 7 CORPORATE BONDS

Applicable issuer category for this bond

- ☒ Sci-tech innovation enterprise
- ☐ Sci-tech innovation upgrade
- ☐ Sci-tech innovation investment
- ☐ Sci-tech innovation incubation
- ☐ Financial institution

Bond code

241624.SH

Bond abbreviation

24 Lujin K3

Bond balance

10.00

Progress of sci-tech innovation projects

The proceeds from this bond are used to repay mature interest-bearing debts, and no sci-tech innovation projects are involved

Effect on promoting sci-tech innovation development

The issuer is categorized as a sci-tech innovation enterprise. The proceeds from this bond have all been used to repay interest-bearing debts, which has effectively optimized the debt structure of the sci-tech innovation enterprise.

Operation of fund products (if applicable)

Not applicable to this bond

Other matters

Not applicable

Applicable issuer category for this bond

- ☒ Sci-tech innovation enterprise
- ☐ Sci-tech innovation upgrade
- ☐ Sci-tech innovation investment
- ☐ Sci-tech innovation incubation
- ☐ Financial institution

Bond code

240785.SH

Bond abbreviation

24 Lujin K1

Bond balance

20.00

Progress of sci-tech innovation projects

The proceeds from this bond are used to repay mature interest-bearing debts, and no sci-tech innovation projects are involved

Effect on promoting sci-tech innovation development

The issuer is categorized as a sci-tech innovation enterprise. The proceeds from this bond have all been used to repay interest-bearing debts, which has effectively optimized the debt structure of the sci-tech innovation enterprise.

Operation of fund products (if applicable)

Not applicable to this bond

Other matters

Not applicable

SECTION 7 CORPORATE BONDS

Applicable issuer category for this bond

✓ Sci-tech innovation enterprise

☐ Sci-tech innovation upgrade

☐ Sci-tech innovation investment

☐ Sci-tech innovation incubation

☐ Financial institution

Bond code

240265.SH

Bond abbreviation

Lujin KY01

Bond balance

20.00

Progress of sci-tech innovation projects

The proceeds from this bond are used to repay mature interest-bearing debts, and no sci-tech innovation projects are involved

Effect on promoting sci-tech innovation development

The issuer is categorized as a sci-tech innovation enterprise
The proceeds from this bond have all been used to repay interest-bearing debts, which has effectively optimized the debt structure of the sci-tech innovation enterprise

Operation of fund products (if applicable)

Not applicable to this bond

Other matters

Not applicable

Applicable issuer category for this bond

✓ Sci-tech innovation enterprise

☐ Sci-tech innovation upgrade

☐ Sci-tech innovation investment

☐ Sci-tech innovation incubation

☐ Financial institution

Bond code

240334.SH

Bond abbreviation

Lujin KY02

Bond balance

20.00

Progress of sci-tech innovation projects

The proceeds from this bond are used to repay mature interest-bearing debts, and no sci-tech innovation projects are involved

Effect on promoting sci-tech innovation development

The issuer is categorized as a sci-tech innovation enterprise
The proceeds from this bond have all been used to repay interest-bearing debts, which has effectively optimized the debt structure of the sci-tech innovation enterprise

Operation of fund products (if applicable)

Not applicable to this bond

Other matters

Not applicable

SECTION 7 CORPORATE BONDS

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

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

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

☐ Applicable ☒ N/A

11. Matters relating to other special types of corporate bonds

☐ Applicable ☒ N/A

(IV) Significant events relating to the corporate bonds during the Reporting Period

☐ Applicable ☒ N/A

(V) Non-financial enterprise debt financing instruments in the interbank bond market

☐ Applicable ☒ N/A

(VI) Losses within the scope of consolidated statements of the Company during the Reporting Period exceeds 10% of its net assets at the end of the previous year

☐ Applicable ☒ N/A

SECTION 7 CORPORATE BONDS

(VII) Key accounting data and financial indicators

☒ Applicable ☐ N/A

Unit: RMB0'000 Currency: RMB

Principal indicators	At the end of the Reporting Period	At the end of last year	Increase/decrease of the end of the Reporting Period as compared with the end of last year (%)	Reasons for change
Liquidity ratio	45.74%	46.01%	-0.27	
Quick ratio	30.92%	32.68%	-1.76	
Debt-to-Asset Ratio (%)	63.11	63.54	-0.43	

	The Reporting Period (January to June)	The Corresponding Period of last year	Increase/decrease of the Reporting Period as compared with the Corresponding Period of Last Year (%)	Reasons for change
Net profit deducting non-recurring profit or loss	280,950.26	141,365.56	98.74	
Total debt ratio of EBITDA	0.14	0.10	39.97	
Interest coverage ratio	6.81	3.90	74.43	
Cash flow interest coverage ratio	11.13	6.05	84.00	
Interest coverage multiples EBITDA	10.08	6.55	54.01	
Loan repayment rate (%)	100.00	100.00		
Interest repayment rate (%)	100.00	100.00		

II. CONVERTIBLE BONDS OF THE COMPANY

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

I. AUDIT REPORT

☐ Applicable ☒ N/A

II. FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

30 June 2025

Prepared by: Shandong Gold Mining Co., Ltd.

Unit: RMB Currency: RMB

Item	Notes	30 June 2025	31 December 2024
Current Assets:			
Monetary funds	VII. 1	12,522,686,397.09	11,077,274,906.35
Balances with clearing companies			
Placements with banks and other financial institutions			
Held-for-trading financial assets	VII. 2	2,942,822,259.29	3,749,373,193.21
Derivative financial assets	VII. 3	22,880,695.29	1,919,103.18
Notes receivable	VII. 4	225,169,658.82	123,886,585.10
Accounts receivable	VII. 5	524,669,395.93	493,049,005.61
Receivables financing			80,034.15
Prepayments	VII. 8	569,020,863.64	472,574,999.65
Premiums receivable			
Accounts receivable from reinsurers			
Deposits receivable from reinsurers			
Other receivables	VII. 9	5,097,083,476.84	4,940,701,333.75
Among which: Interests receivable			
Dividends receivable			
Financial assets held under resale agreements			
Inventories	VII. 10	8,424,835,498.40	6,819,745,616.21
Among which: Data resources			
Contract assets			
Held-for-sale assets			
Non-current assets due within one year			
Other current assets	VII. 12	1,228,720,129.55	1,022,644,405.61
Total current assets		31,557,888,374.85	28,701,249,182.82

SECTION 8 FINANCIAL REPORT

Item	Notes	30 June 2025	31 December 2024
Non-current Assets:			
Loans and advances granted			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	VII. 17	2,524,041,410.49	2,526,932,631.88
Other investments in equity instruments	VII. 18	28,719,822.20	28,719,822.20
Other non-current financial assets	VII. 19	4,453,808,290.20	4,481,600,576.61
Investment properties	VII. 20	133,914,416.89	132,847,463.01
Fixed assets	VII. 21	49,279,441,206.07	50,826,259,662.77
Construction in progress	VII. 22	14,897,768,848.21	10,604,445,075.41
Biological assets for production			
Oil and gas assets			
Right-of-use assets	VII. 25	236,785,430.68	212,065,851.77
Intangible assets	VII. 26	47,008,618,521.89	47,347,838,861.91
Among which: Data resources		2,075,885.79	2,350,831.58
Development expenditures		22,091,468.31	17,797,553.43
Among which: Data resources			
Goodwill	VII. 27	13,030,104,839.12	13,033,245,227.92
Long-term deferred expenditures	VII. 28	77,140,168.50	72,659,747.42
Deferred income tax assets	VII. 29	915,545,373.14	921,755,853.93
Other non-current assets	VII. 30	1,853,270,617.31	1,752,536,677.28
Total non-current assets		134,461,250,413.01	131,958,705,005.54
Total assets		166,019,138,787.86	160,659,954,188.36

SECTION 8 FINANCIAL REPORT

Item	Notes	30 June 2025	31 December 2024
Current liabilities:			
Short-term borrowings	VII. 32	29,386,809,802.18	26,269,496,757.73
Borrowings from central bank			
Placements from banks and other financial institutions			
Held-for-trading financial liabilities	VII. 33	752,787,436.91	864,631,222.45
Derivative financial liabilities	VII. 34	42,135,929.02	9,934,794.49
Notes payable	VII. 35	3,280,156,270.42	2,867,623,523.83
Accounts payable	VII. 36	14,250,825,787.27	14,099,955,640.58
Advances received	VII. 37	738,872.50	656,585.26
Contract liabilities	VII. 38	779,281,989.56	427,135,295.37
Financial assets sold under repurchase agreements			
Deposits from customers and due to placements from banks and other financial institutions			
Accounts payable to brokerage clients			
Accounts payable to underwriting clients			
Employee salaries payable	VII. 39	1,064,249,533.33	626,183,255.77
Taxes payable	VII. 40	1,407,974,435.26	962,099,132.81
Other payables	VII. 41	10,199,005,480.81	9,144,431,460.83
Among which: Interests payable			
Dividends payable		808,455,799.38	128,982,745.71
Handling fees and commissions payable			
Payable to reinsurers			
Held-for-sale liabilities			
Non-current liabilities due within one year	VII. 43	7,587,091,404.28	6,898,133,097.49
Other current liabilities	VII. 44	240,450,918.35	215,538,868.09
Total current liabilities		68,991,507,859.89	62,385,819,634.70
Non-current liabilities:			
Provisions for insurance contracts			
Long-term borrowings	VII. 45	22,912,611,604.22	26,609,694,266.16
Bonds payable	VII. 46	4,000,000,000.00	4,000,000,000.00
Among which: Preferred shares			
Perpetual bonds			
Lease liabilities	VII. 47	160,579,667.06	124,369,283.43
Long-term payables	VII. 48	1,547,395,263.91	1,638,102,263.69
Long-term employee salaries payables			
Accrued liabilities	VII. 50	1,100,440,764.05	1,119,105,218.62
Deferred revenue	VII. 51	14,450,415.63	12,152,191.25
Deferred income tax liabilities	VII. 29	6,037,611,700.94	6,180,340,264.85
Other non-current liabilities	VII. 52	18,014,763.29	20,348,804.07
Total non-current liabilities		35,791,104,179.10	39,704,112,292.07
Total liabilities		104,782,612,038.99	102,089,931,926.77

SECTION 8 FINANCIAL REPORT

Item	Notes	30 June 2025	31 December 2024
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)	VII. 53	4,473,429,525.00	4,473,429,525.00
Other equity instruments	VII. 54	15,571,612,865.28	12,941,337,821.92
Among which: Preferred shares			
Perpetual bonds		15,571,612,865.28	12,941,337,821.92
Capital reserve	VII. 55	3,068,135,402.05	3,072,233,109.83
Less: Treasury stock			
Other comprehensive income	VII. 57	43,424,727.00	117,680,305.51
Special reserve	VII. 58	119,866,372.16	99,191,476.90
Surplus reserve	VII. 59	1,495,482,054.17	1,495,482,054.17
General risk provision		25,701,712.81	25,701,712.81
Undistributed profit	VII. 60	17,470,510,214.84	15,572,448,966.97
Total equity attributable to owners of the parent company (or shareholders' equity)			
		42,268,162,873.31	37,797,504,973.11
Minority shareholders interests		18,968,363,875.55	20,772,517,288.48
Total owners' equity (or shareholders' equity)			
		61,236,526,748.87	58,570,022,261.59
Total liabilities and owners' equity (or shareholders' equity)			
		166,019,138,787.86	160,659,954,188.36

Officer in charge of the Company:
Han Yaodong

Officer in charge of the accounting
affairs: Teng Hongmeng

Head of the Accounting Department:
Teng Hongmeng

SECTION 8 FINANCIAL REPORT

BALANCE SHEET OF THE PARENT COMPANY

30 June 2025

Prepared by: Shandong Gold Mining Co., Ltd.

Unit: RMB Currency: RMB

Item	Notes	30 June 2025	31 December 2024
Current Assets:			
Monetary funds		678,736,364.47	2,195,463,907.39
Held-for-trading financial assets			
Derivative financial assets		104,112,757.72	
Notes receivable			
Accounts receivable	XIX. 1	4,487,582,233.02	4,215,519,819.01
Receivables financing		155,274,287.26	53,603,500.00
Prepayments		1,669,643.07	1,790,922.57
Other receivables	XIX. 2	29,725,708,966.98	30,435,017,572.79
Among which: Interests receivable			
Dividends receivable		92,256,655.99	140,781,769.99
Inventories		35,110,047.92	24,401,928.99
Among which: Data resources			
Contract assets			
Held-for-sale assets			
Non-current assets due within one year			
Other current assets		25,488,685.68	84,443,817.70
Total current assets		35,213,682,986.12	37,010,241,468.45
Non-current Assets:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	XIX. 3	44,810,479,584.68	45,162,067,630.86
Other investments in equity instruments		500,000.00	500,000.00
Other non-current financial assets			
Investment properties		100,227,234.59	103,347,180.80
Fixed assets		6,255,979,371.65	6,378,534,266.92
Construction in progress		1,990,428,576.71	1,160,260,489.92
Biological assets for production			
Oil and gas assets			
Right-of-use assets		30,937,221.64	39,469,273.91
Intangible assets		2,952,475,798.63	2,976,021,178.64
Among which: Data resources			
Development expenditures			
Among which: Data resources			
Goodwill			
Long-term deferred expenditures		5,189,569.73	6,125,684.57
Deferred income tax assets			
Other non-current assets		195,897,360.86	156,837,551.10
Total non-current assets		56,342,114,718.49	55,983,163,256.72
Total assets		91,555,797,704.61	92,993,404,725.17

SECTION 8 FINANCIAL REPORT

Item	Notes	30 June 2025	31 December 2024
Current liabilities:			
Short-term borrowings		13,161,642,447.68	11,793,320,925.69
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable		647,859,054.07	671,711,933.33
Accounts payable		4,725,874,394.89	4,546,058,683.53
Advances received		83,683.11	7,551.67
Contract liabilities		34,171.03	944,229.00
Employee salaries payable		202,041,699.61	75,918,316.54
Taxes payable		20,568,064.63	29,848,991.20
Other payables		1,919,132,981.33	1,949,472,302.03
Among which: Interests payable			
Dividends payable		662,235,869.70	168,300.00
Held-for-sale liabilities			
Non-current liabilities due within one year		7,214,780,406.62	8,646,405,947.23
Other current liabilities		4,442.23	122,749.77
Total current liabilities		27,892,021,345.20	27,713,811,629.99
Non-current liabilities:			
Long-term borrowings		21,690,051,604.22	25,754,300,000.00
Bonds payable		4,000,000,000.00	4,000,000,000.00
Among which: Preferred shares			
Perpetual bonds			
Lease liabilities		27,216,292.45	31,591,964.16
Long-term payables		602,084,499.11	590,650,865.45
Long-term employee salaries payables			
Accrued liabilities		36,166,741.45	35,040,324.37
Deferred revenue		1,215,127.63	773,097.67
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities		26,356,734,264.86	30,412,356,251.65
Total liabilities		54,248,755,610.06	58,126,167,881.64

SECTION 8 FINANCIAL REPORT

Item	Notes	30 June 2025	31 December 2024
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)		4,473,429,525.00	4,473,429,525.00
Other equity instruments		15,571,612,865.28	12,941,337,821.92
Among which: Preferred shares			
Perpetual bonds		15,571,612,865.28	12,941,337,821.92
Capital reserve		9,211,331,076.78	9,211,331,076.78
Less: Treasury stock			
Other comprehensive income			
Special reserve			
Surplus reserve		1,450,869,550.62	1,450,869,550.62
Undistributed profit		6,599,799,076.87	6,790,268,869.21
Total owners' equity (or shareholders' equity)		37,307,042,094.55	34,867,236,843.53
Total liabilities and owners' equity (or shareholders' equity)		91,555,797,704.61	92,993,404,725.17

Officer in charge of the Company:
Han Yaodong

Officer in charge of the accounting
affairs: Teng Hongmeng

Head of the Accounting Department:
Teng Hongmeng

SECTION 8 FINANCIAL REPORT

CONSOLIDATED INCOME STATEMENT

January to June 2025

Unit: RMB Currency: RMB

Item	Notes	First Half of 2025	First Half of 2024
I. Total operating income	VII. 61	56,765,895,355.68	45,773,494,698.05
Among which: Operating income		56,765,895,355.68	45,773,494,698.05
Interest income			
Income earned from premiums			
Income from handling fee and commissions			
II. Total operating costs		50,667,070,304.16	42,642,045,789.59
Among which: Operating costs	VII. 61	46,854,214,561.98	39,292,355,872.23
Interest expense			
Handling fee and commissions expense			
Surrender fee			
Net expenditure for compensation ayments			
Net expenditure for compensation payments			
Insurance policy dividend expenses			
Reinsurance expenses			
Taxes and surcharges	VII. 62	831,326,429.93	779,696,847.11
Selling expenses	VII. 63	76,378,155.44	83,112,784.31
General and administrative expenses	VII. 64	1,679,883,563.25	1,295,653,848.09
Research and development expenses	VII. 65	311,539,562.76	258,161,998.13
Finance costs	VII. 66	913,728,030.80	933,064,439.72
Among which: Interest expenses		941,960,521.01	921,164,760.73
Interest income		68,696,218.50	94,978,875.36
Add: Other revenue	VII. 67	8,695,075.95	12,506,056.23
Investment gains (loss is represented by “-”)	VII. 68	-363,118,405.37	-190,074,650.45
Among which: Investment gains from associates and joint ventures		22,920,713.70	14,777,419.11
Gains on derecognition of financial assets measured at amortised cost (loss is represented by “-”)			
Foreign currency exchange gains (loss is represented by “-”)			
Gains from net exposure hedges (loss is represented by “-”)			
Gains from changes in fair value (loss is represented by “-”)	VII. 70	-236,661,774.77	-109,025,478.52
Credit impairment loss (loss is represented by “-”)	VII. 71	-23,502,574.21	-12,935,064.13
Asset impairment loss (loss is represented by “-”)			
Gains from disposal of assets (loss is represented by “-”)	VII. 73	-1,617,275.17	-230,789.73

SECTION 8 FINANCIAL REPORT

Item	Notes	First Half of 2025	First Half of 2024
III. Operating profit (loss is represented by “-”)		5,482,620,097.95	2,831,688,981.86
Add: Non-operating income	VII. 74	24,562,365.26	5,428,024.26
Less: Non-operating expenses	VII. 75	23,802,491.54	28,449,007.39
IV. Total profits (total loss is represented by “-”)		5,483,379,971.67	2,808,667,998.73
Less: Income tax expense	VII. 76	1,610,017,744.05	646,601,452.31
V. Net profit (net loss is represented by “-”)		3,873,362,227.61	2,162,066,546.42
(I) Categorized by nature of continued operation			
1. Net profit from continued operation (net loss is represented by “-”)		3,873,362,227.61	2,162,066,546.42
2. Net profit from discontinued operation (net loss is represented by “-”)			
(II) Categorized by owners' equity			
1. Net profit attributable to shareholders of the parent company (net loss is represented by “-”)		2,808,157,860.93	1,383,466,282.99
2. Profit or loss of minority shareholders (net loss is represented by “-”)		1,065,204,366.68	778,600,263.43
VI. Other comprehensive income, net of tax		-67,517,942.16	-235,615,095.08
(I) Other comprehensive income attributable to owners of the parent company, net of tax		-74,255,578.51	-235,266,395.63
1. Other comprehensive income that may not be reclassified to profit or loss			
(1) Changes arising from the re-measurement of defined benefit plans			
(2) Other comprehensive income that may not be reclassified to profit or loss under the equity method			
(3) Changes in fair value of other investments in equity instruments			
(4) Changes in fair value of the enterprise's own credit risks			
2. Other comprehensive income that may be reclassified to profit or loss		-74,255,578.51	-235,266,395.63
(1) Other comprehensive income that may be reclassified to profit or loss under the equity method			
(2) Changes in fair value of other debt investments			
(3) Amount of financial assets reclassified into other comprehensive income			
(4) Credit impairment provision for other debt investments			
(5) Cash flow hedge reserve			
(6) Differences of exchange for foreign currency financial statements		-74,255,578.51	-235,266,395.63
(7) Others			
(II) Other comprehensive income attributable to minority shareholders, net of tax		6,737,636.35	-348,699.45

SECTION 8 FINANCIAL REPORT

Item	Notes	First Half of 2025	First Half of 2024
VII. Total comprehensive income		3,805,844,285.45	1,926,451,451.34
(I) Total comprehensive income attributable to owners of the parent company		2,733,902,282.42	1,148,199,887.36
(II) Total comprehensive income attributable to minority shareholders		1,071,942,003.03	778,251,563.98
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		0.57	0.26
(II) Diluted earnings per share (RMB/share)		0.57	0.26

For business combination involving enterprises under common control in the current period, net profit of the acquiree realized before business combination: RMB0; net profit of the acquiree realized in the previous period: RMB0.

Officer in charge of the Company:
Han Yaodong

Officer in charge of the accounting
affairs: Teng Hongmeng

Head of the Accounting Department:
Teng Hongmeng

SECTION 8 FINANCIAL REPORT

INCOME STATEMENT OF THE PARENT COMPANY

January to June in 2025

Unit: RMB Currency: RMB

Items	Notes	First Half of 2025	First Half of 2024
I. Operating revenue	XIX.4	1,759,769,266.59	1,531,141,710.53
Less: Operating costs	XIX.4	770,252,223.69	621,396,559.91
Taxes and surcharges		80,879,134.77	104,303,132.20
Selling expenses		339,172.87	410,271.01
Administrative expenses		266,688,303.11	264,206,845.10
R&D expenses		65,937,431.30	58,055,510.96
Financial expenses		277,055,543.57	305,895,397.73
Including: interest expenses		635,598,032.55	553,786,956.07
Interest income		359,184,174.59	252,678,183.98
Add: Other revenue		777,322.29	773,622.47
Investment income (loss is represented by “-”)	XIX.5	329,426,258.48	323,817,684.23
Including: Investment income from associates and joint ventures		24,213,888.91	14,784,843.58
Gains from derecognition of financial assets measured at amortized cost (loss is represented by “-”)			
Gains from net exposure to hedging (loss is represented by “-”)			
Gain on changes in fair value (loss is represented by “-”)		104,112,757.72	56,536,968.02
Impairment loss of credit (loss is represented by “-”)		-13,701,251.14	-1,081,730.25
Impairment loss of assets (loss is represented by “-”)			
Gains from disposal of assets (loss is represented by “-”)			151,298.50
II. Operating profit (loss is represented by “-”)		719,232,544.63	557,071,836.59
Add: Non-operating revenue		1,144,025.82	1,123,063.63
Less: Non-operating expenses		749,749.73	9,743,120.95
III. Total profit (total loss is represented by “-”)		719,626,820.72	548,451,779.27
Less: Income tax expense			
IV. Net profit (net loss is represented by “-”)		719,626,820.72	548,451,779.27
(I) Net profit from continuing operations (net loss is represented by “-”)		719,626,820.72	548,451,779.27
(II) Net profit from discontinued operations (net loss is represented by “-”)			

SECTION 8 FINANCIAL REPORT

Items	Notes	First Half of 2025	First Half of 2024
V. Net other comprehensive income after tax			
(I) Other comprehensive income not reclassified to profit or loss			
1. Changes arising on remeasurement of defined benefit plans			
2. Other comprehensive income accounted for using the equity method that cannot be reclassified to profit or loss			
3. Changes in fair value of investments in other equity instruments			
4. Changes in fair value of own credit risk of the Company			
(II) Other comprehensive income to be reclassified to profit or loss			
1. Other comprehensive income accounted for using the equity method that may be reclassified to profit or loss			
2. Changes in fair value of other debt investments			
3. Amount of financial assets reclassified into other comprehensive income			
4. Provisions for credit impairment of other debt investments			
5. Reserve for cash flow hedging			
6. Exchange differences on translation of financial statements in foreign currency			
7. Others			
VI. Total comprehensive income		719,626,820.72	548,451,779.27
VII. Earnings per share:			
(I) Basic earnings per share (RMB/share)			
(II) Diluted earnings per share (RMB/share)			

Legal representative: Han Yaodong

Person in charge of accounting:
Teng HongmengPerson in charge of accounting firm:
Teng Hongmeng

SECTION 8 FINANCIAL REPORT

CONSOLIDATED STATEMENT OF CASH FLOWS

January to June in 2025

Unit: RMB Currency: RMB

Items	Notes	First Half of 2025	First Half of 2024
I. Cash flows from operating activities:			
Cash received from sales of goods and provision of services		61,379,276,201.71	48,661,717,383.64
Net increase in deposits from clients and placements from other banks			
Net increase in borrowings from central bank			
Net increase in loans from other financial institutions			
Cash received from premiums of original insurance contracts			
Net cash received from reinsurance business			
Net increase in deposits from policyholders and investments			
Cash received from interest, handling fees and commissions			
Net increase in loans from other banks			
Net increase in repurchases business fund			
Net cash received from agency security transaction			
Receipt of tax rebates		51,976,379.15	79,667,645.03
Other cash received relating to operating activities	VII. 78(1)	33,622,730,563.38	27,109,328,006.94
Sub-total of cash inflow from operating activities		95,053,983,144.24	75,850,713,035.61
Cash paid for goods purchased and services rendered		46,794,557,550.56	38,372,023,785.61
Net increase in loans and advances to customers			
Net increase in placements with central bank and other banks			
Cash paid for claims on original insurance contracts			
Net increase in loans to other banks			
Cash payment for interest, handling fees and commissions			
Cash payment for premium bonus			
Cash paid to and on behalf of staff		2,070,229,021.28	1,855,868,869.26
Taxes paid		2,328,201,072.70	1,668,587,378.07
Other cash paid relating to operating activities	VII. 78(1)	33,358,095,035.06	28,174,569,841.27
Sub-total of cash outflow from operating activities		84,551,082,679.60	70,071,049,874.21
Net cash flows generated from operating activities		10,502,900,464.64	5,779,663,161.40

SECTION 8 FINANCIAL REPORT

Items	Notes	First Half of 2025	First Half of 2024
II. Cash flows generated from investment activities:			
Cash received from disposal of investments		10,427,730,654.87	3,931,017,924.07
Cash received from gains in investments		56,596,816.61	190,268,776.46
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		10,604,109.25	2,737,700.80
Net cash received from disposal of subsidiaries and other operating entities			
Other cash received relating to investment activities	VII. 78(2)	1,009,336,442.40	340,227,188.35
Sub-total of cash inflow from investment activities		11,504,268,023.13	4,464,251,589.68
Cash paid for purchase of fixed assets, intangible assets and other long-term assets		5,660,876,857.34	9,729,646,514.43
Cash paid for investment		9,713,137,944.25	5,145,146,960.84
Net increase in pledged loans			
Net cash paid for acquiring subsidiaries and other operating entities		24,958,262.51	423,990,000.00
Other cash paid relating to investment activities	VII. 78(2)	1,419,317,531.14	371,233,253.42
Sub-total of cash outflow from investment activities		16,818,290,595.24	15,670,016,728.69
Net cash flows generated from investment activities		-5,314,022,572.11	-11,205,765,139.01
III. Cash flows from financing activities:			
Proceeds received from investments		2,500,000,000	100,000.00
Including: Proceeds received by subsidiaries from minority interests' investment			100,000.00
Cash received from borrowings		18,044,962,441.83	19,877,844,756.55
Other cash received relating to financing activities	VII. 78(3)	3,398,404,757.46	8,685,004,047.61
Sub-total of cash inflow from financing activities		23,943,367,199.29	28,562,948,804.16
Cash paid for repayment of debts		16,725,254,063.55	14,939,113,390.87
Cash payments for dividend and profit distribution or interest repayment		2,081,554,402.21	1,873,200,435.76
Including: Dividend and profit paid by subsidiaries to minority interests		887,151,820.97	552,851,719.00
Other cash paid relating to financing activities	VII. 78(3)	9,171,879,591.41	6,699,206,166.49
Sub-total of cash outflow from financing activities		27,978,688,057.17	23,511,519,993.12
Net cash flows generated from financing activities		-4,035,320,857.88	5,051,428,811.04

SECTION 8 FINANCIAL REPORT

Items	Notes	First Half of 2025	First Half of 2024
IV. Effect on cash and cash equivalents due to changes in foreign exchange rates		-7,628,386.73	6,756,471.63
V. Net increase in cash and cash equivalents		1,145,928,647.92	-367,916,694.94
Add: Balance of cash and cash equivalents at the beginning of the period		9,931,630,518.82	8,352,903,315.36
VI. Balance of cash and cash equivalents at the end of the period		11,077,559,166.74	7,984,986,620.42

Legal representative:
Han Yaodong

Person in charge of accounting:
Teng Hongmeng

Person in charge of accounting firm:
Teng Hongmeng

SECTION 8 FINANCIAL REPORT

STATEMENT OF CASH FLOWS OF THE PARENT COMPANY

January to June in 2025

Unit: RMB Currency: RMB

Items	Notes	First Half of 2025	First Half of 2024
I. Cash flows generated from operating activities:			
Cash received from sales of goods and provision of services		1,350,196,173.19	1,309,359,902.15
Receipt of tax rebates			829,549.76
Other cash received relating to operating activities		7,636,639,682.17	6,663,829,281.32
Sub-total of cash inflow from operating activities		8,986,835,855.36	7,974,018,733.23
Cash paid for goods purchased and services rendered		248,450,055.25	306,716,893.98
Cash paid to and on behalf of staff		261,231,704.21	293,129,171.44
Taxes paid		83,050,541.17	115,426,278.71
Other cash paid relating to operating activities		6,581,598,011.74	6,828,271,187.93
Sub-total of cash outflow from operating activities		7,174,330,312.37	7,543,543,532.06
Net cash flows generated from operating activities		1,812,505,542.99	430,475,201.17
II. Cash flows generated from investment activities:			
Cash received from disposal of investments		499,990,000.00	
Cash received from gains in investments		379,549,418.66	282,543,082.20
Net cash received from disposal of fixed assets, intangible assets and other long-term assets			14,112.00
Net cash received from disposal of subsidiaries and other operating entities			
Other cash received relating to investment activities		5,970,546,325.28	4,942,969,907.92
Sub-total of cash inflow from investment activities		6,850,085,743.94	5,225,527,102.12
Cash paid for purchase of fixed assets, intangible assets and other long-term assets		904,259,502.28	4,769,381,736.73
Cash paid for investment		197,110,000.00	423,990,000.00
Net cash paid for acquiring subsidiaries and other operating entities			
Other cash paid relating to investment activities		4,928,784,290.43	5,793,608,564.39
Sub-total of cash outflow from investment activities		6,030,153,792.71	10,986,980,301.12
Net cash flows generated from investment activities		819,931,951.23	-5,761,453,199.00

SECTION 8 FINANCIAL REPORT

Items	Notes	First Half of 2025	First Half of 2024
III. Cash flows generated from financing activities:			
Proceeds received from investments		2,500,000,000.00	
Cash received from borrowings		7,218,000,000.00	12,254,874,579.15
Other cash received relating to financing activities		3,129,670,523.18	6,484,491,800.00
Sub-total of cash inflow from financing activities		12,847,670,523.18	18,739,366,379.15
Cash paid for repayment of debts		9,610,050,000.00	8,365,910,000.00
Cash payments for dividend and profit distribution or interest repayment		741,381,423.85	582,071,335.23
Other cash paid relating to financing activities		6,658,053,673.50	4,497,331,651.46
Sub-total of cash outflow from financing activities		17,009,485,097.35	13,445,312,986.69
Net cash flows generated from financing activities		-4,161,814,574.17	5,294,053,392.46
IV. Effect on cash and cash equivalents due to changes in foreign exchange rates		-272,785.23	123,490.25
V. Net increase in cash and cash equivalents		-1,529,649,865.18	-36,801,115.12
Add: Balance of cash and cash equivalents at the beginning of the period		2,053,640,550.51	766,651,474.77
VI. Balance of cash and cash equivalents at the end of the period		523,990,685.33	729,850,359.65

Legal representative:
Han Yaodong

Person in charge of accounting:
Teng Hongmeng

Person in charge of accounting firm:
Teng Hongmeng

SECTION 8 FINANCIAL REPORT

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY
January to June in 2025

Unit: RMB Currency: RMB

First Half of 2025															
Equity attributable to the owners of the parent company															
Items	Other equity instruments				Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others	Sub-total	Non-controlling interest	Total owners' equity
	Paid-up capital (or share capital)	Preference shares	Perpetual bonds	Others											
I. Balance at the end of previous year	4,473,429,525.00		12,941,337,821.92		3,072,233,109.83		117,680,305.51	99,191,476.90	1,495,482,054.17	25,701,712.81	15,572,448,966.97		37,797,504,973.11	20,772,517,288.48	58,570,022,261.59
Add: Changes in accounting policy															
Prior-period error correction															
Others															
II. Balance at the beginning of the current year	4,473,429,525.00	-	12,941,337,821.92		3,072,233,109.83		117,680,305.51	99,191,476.90	1,495,482,054.17	25,701,712.81	15,572,448,966.97		37,797,504,973.11	20,772,517,288.48	58,570,022,261.59
III.Amount of increase/decrease/change in the current year (decrease is represented by "-")															
(I) Total comprehensive income			2,630,275,043.36		-4,097,707.78		-74,255,578.51	20,674,885.26	-	-	1,898,061,247.87		4,470,657,900.20	-1,804,153,412.93	2,666,504,487.28
(II) Contribution and reduction of capital by owners							-74,255,578.51	-	-	-	2,808,157,860.93		2,733,902,282.42	1,071,942,003.03	3,805,844,285.45
1. Ordinary shares contributed by owners			2,500,000,000.00		-4,097,707.78		-	-	-	-	-		2,495,902,292.22	-1,984,951,187.38	510,951,104.84
2. Capital contributed by holders of other equity instruments							-	-	-	-	-		-4,097,707.78	-2,010,045,115.95	-2,014,142,823.73
3. Amount included in owners' equity in share payment							-	-	-	-	-		2,500,000,000.00	-	2,500,000,000.00
4. Others							-	-	-	-	-		-	25,093,928.57	25,093,928.57
(III) Profit distribution							-	-	-	-	-910,086,613.06		-779,821,569.70	-904,557,304.94	-1,684,378,874.64
1. Withdrawal of surplus reserves							-	-	-	-	-		-	-	-
2. Withdrawal of general risk reserve							-	-	-	-	-		-	-	-
3. Distributions to owners (or shareholders)							-	-	-	-	-		-682,067,569.70	-904,557,304.94	-1,566,624,874.64
4. Others			130,275,043.36				-	-	-	-	-248,029,043.36		-117,754,000.00	-	-117,754,000.00
(IV) Carry-forward of owners' equity							-	-	-	-	-		-	-	-
1. Conversion of capital reserves to increase capital (or share capital)							-	-	-	-	-		-	-	-
2. Conversion of surplus reserves to increase capital (or share capital)							-	-	-	-	-		-	-	-
3. Making up of losses by surplus reserves							-	-	-	-	-		-	-	-
4. Carry-forward of retained earnings from changes in defined benefit plans							-	-	-	-	-		-	-	-
5. Carry-forward of retained earnings from other comprehensive income							-	-	-	-	-		-	-	-
6. Others							-	-	-	-	-		-	-	-
(V) Special reserves							-	-	-	-	-		-	-	-
1. Current withdrawal							-	-	-	-	-		20,674,885.26	13,413,076.36	34,087,971.62
2. Current use							-	-	-	-	-		93,481,191.68	22,403,752.13	115,880,943.81
(VI) Others							-	-	-	-	-		-72,806,298.42	-8,996,675.77	-81,802,972.19
IV.Balance at the end of the current period	4,473,429,525.00	-	15,571,612,865.28		3,068,135,402.05		43,424,727.00	119,866,372.16	1,495,482,054.17	25,701,712.81	17,470,510,216.84		42,268,162,873.31	18,988,363,875.55	61,236,526,748.87

SECTION 8 FINANCIAL REPORT

First Half of 2024														
Items	Owners' equity attributable to the parent company													
	Paid-up capital (or share capital)	Other equity instruments		Less: Treasury shares	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others	Sub-total	Non-controlling interest	Total owners' equity
		Preference shares	Perpetual bonds											
I. Balance at the end of previous year	4,473,429,525.00		9,993,376,988.48		3,083,241,559.50	78,143,477.20	689,434.13	1,138,480,329.82	23,217,916.27	14,369,371,415.15		33,084,950,645.55	20,174,453,073.85	53,259,403,719.40
Add: Changes in accounting policy														
Prior-period error correction														
Others														
II. Balance at the beginning of the current year	4,473,429,525.00		9,993,376,988.48		3,083,241,559.50	78,143,477.20	689,434.13	1,138,480,329.82	23,217,916.27	14,369,371,415.15		33,084,950,645.55	20,174,453,073.85	53,259,403,719.40
III.Amount of increase/decrease/change in the current year (decrease is represented by "-")														
(I) Total comprehensive income														
(II) Contribution and reduction of capital by owners														
1. Ordinary shares contributed by owners														
2. Capital contributed by other equity instrument holders														
3. Amount included in owners' equity in share payment														
4. Others														
(III) Profit distribution														
1. Withdrawal of surplus reserves			130,300,731.14		10,291,900.00	-		-	-	-825,724,364.64		10,291,900.00	-768,677,363.29	-1,464,100,996.79
2. Withdrawal of general risk reserve														
3. Distributions to owners (or shareholders)														
4. Others														
(IV) Carry-forward of owners' equity														
1. Conversion of capital reserves to increase capital (or share capital)														
2. Conversion of surplus reserves to increase capital (or share capital)														
3. Making up of losses by surplus reserves														
4. Carry-forward of retained earnings from changes in defined benefit plans														
5. Carry-forward of retained earnings from other comprehensive income														
6. Others														
(V) Special reserves														
1. Current withdrawal							3,641,476.76					3,641,476.76	8,621,456.05	12,262,932.81
2. Current use							127,714,551.13					127,714,551.13	59,603,346.39	187,317,897.52
(VI) Others							-124,073,074.37					-124,073,074.37	-50,981,880.34	-175,054,954.71
IV. Balance at the end of the current period	4,473,429,525.00		10,063,677,719.62		3,073,533,459.50	-157,122,918.43	4,330,910.89	1,138,480,329.82	23,217,916.27	14,927,113,333.50		33,351,660,276.17	20,351,684,880.28	53,903,325,136.45

Legal representative: Han Yaodong

Person in charge of accounting: Teng Hongmeng

Person in charge of accounting firm: Teng Hongmeng

Legal representative: Han Yaodong

Person in charge of accounting: Teng Hongmeng

Person in charge of accounting firm: Teng Hongmeng

SECTION 8 FINANCIAL REPORT

STATEMENT OF CHANGES IN OWNERS' EQUITY OF THE PARENT COMPANY

January to June in 2025

Unit: RMB Currency: RMB

Items	First Half of 2025								Total owners' equity	
	Paid-up capital (or share capital)	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve		
		Preference shares	Perpetual bonds	Others						
I. Balance at the end of previous year	4,473,429,525.00		12,941,337,821.92		9,211,331,076.78			1,450,869,550.82	6,790,268,669.21	34,867,236,643.53
Add: Changes in accounting policy										
Prior-period error correction										
Others										
II. Balance at the beginning of the current year	4,473,429,525.00		12,941,337,821.92		9,211,331,076.78			1,450,869,550.82	6,790,268,669.21	34,867,236,643.53
III. Amount of increase/decrease/change in the current year (decrease is represented by "-")										
(I) Total comprehensive income			2,630,275,043.36						-190,469,792.34	2,439,805,251.02
(II) Contribution and reduction of capital by owners			2,500,000,000.00						719,626,820.72	719,626,820.72
1. Ordinary shares contributed by owners										
2. Capital contributed by other equity instrument holders										
3. Amount included in owners' equity in share payment			2,500,000,000.00							2,500,000,000.00
4. Others										-
(III) Profit distribution			130,275,043.36						-910,096,613.06	-779,821,569.70
1. Withdrawal of surplus reserves										
2. Distributions to owners (or shareholders)									-662,067,569.70	-662,067,569.70
3. Others			130,275,043.36						-248,029,043.36	-117,754,000.00
(IV) Carry-forward of owners' equity										-
1. Conversion of capital reserves to increase capital (or share capital)										
2. Conversion of surplus reserves to increase capital (or share capital)										
3. Making up of losses by surplus reserves										
4. Carry-forward of retained earnings from changes in defined benefit plans										
5. Carry-forward of retained earnings from other comprehensive income										
6. Others										
(V) Special reserves										
1. Current withdrawal								29,237,911.81		29,237,911.81
2. Current use								-29,237,911.81		29,237,911.81
(VI) Others										-
IV. Balance at the end of the current period	4,473,429,525.00		15,571,612,865.28		9,211,331,076.78			1,450,869,550.82	6,599,799,076.87	37,307,042,094.55

SECTION 8 FINANCIAL REPORT

Items	First Half of 2024							Total owners' equity			
	Paid-up capital (or share capital)	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income		Special reserve	Surplus reserve	Undistributed profit
		Preference shares	Perpetual bonds	Others							
I. Balance at the end of previous year	4,473,429,525.00		9,938,376,988.48		9,211,331,076.78		142,609.67	1,308,966,008.10	6,902,035,103.18	31,834,271,311.21	
Add: Changes in accounting policy											
Prior-period error correction											
Others											
II. Balance at the beginning of the current year	4,473,429,525.00		9,938,376,988.48		9,211,331,076.78		142,609.67	1,308,966,008.10	6,902,035,103.18	31,834,271,311.21	
III. Amount of increase/decrease/change in the current year (decrease is represented by "-")			130,300,731.14				-142,609.67		-277,272,585.37	-147,114,463.90	
(I) Total comprehensive income									548,451,779.27	548,451,779.27	
(II) Contribution and reduction of capital by owners										-	
1. Ordinary shares contributed by owners										-	
2. Capital contributed by other equity instrument holders										-	
3. Amount included in owners' equity in share payment										-	
4. Others										-	
(III) Profit distribution			130,300,731.14						-825,724,364.64	-695,423,633.50	
1. Withdrawal of surplus reserves									-	-	
2. Distributions to owners (or shareholders)									-626,280,133.50	-626,280,133.50	
3. Others			130,300,731.14						-199,444,231.14	-69,143,500.00	
(IV) Carry-forward of owners' equity										-	
1. Conversion of capital reserves to increase capital (or share capital)										-	
2. Conversion of surplus reserves to increase capital (or share capital)										-	
3. Making up of losses by surplus reserves										-	
4. Carry-forward of retained earnings from changes in defined benefit plans										-	
5. Carry-forward of retained earnings from other comprehensive income										-	
6. Others										-	
(V) Special reserves							-142,609.67			-142,609.67	
1. Current withdrawal							20,270,365.21			20,270,365.21	
2. Current use							-20,412,974.88			-20,412,974.88	
(VI) Others										-	
IV. Balance at the end of the current period	4,473,429,525.00		10,068,677,719.62		9,211,331,076.78			1,308,966,008.10	6,624,762,517.81	31,687,156,847.31	

Legal representative:
Han Yaodong

Person in charge of accounting:
Teng Hongmeng

Person in charge of accounting firm:
Teng Hongmeng

SECTION 8 FINANCIAL REPORT

III. BASIC INFORMATION OF THE COMPANY

1. Corporate profile

☒ Applicable ☐ N/A

Shandong Gold Mining Co., Ltd. (hereinafter referred to as the “Company”, collectively referred to as the “Company” when including subsidiaries) was established in January 2000, with its registered address at No. 2503 Jingshi Road, Licheng District, Jinan, Shandong Province, and its head office address at No. 2503 Jingshi Road, Licheng District, Jinan, Shandong Province.

The Company successfully listed on the Shanghai Stock Exchange in August 2003 and on the Main Board of the Hong Kong Stock Exchange in September 2018.

The Company operates in the non-ferrous metal mining and beneficiation industry. The Company’s main business activities include non-ferrous metal mining, smelting, processing, precious metal investment, equity investment and asset management. Primary operations include gold mining and smelting (subject to the validity period of the relevant licence); production and sales of gold mine-specific equipment and building decoration materials (excluding products restricted by national laws and regulations). The Company primarily produces standard gold ingots and various specifications of investment gold bars and silver ingots.

For details on the scope of the consolidated financial statements for the current period and its changes, please refer to “IX. CHANGES IN THE SCOPE OF CONSOLIDATION” and “X. EQUITY IN OTHER ENTITIES” in this section. The Company’s controlling Shareholder is Shandong Gold Group Co., Ltd. (山東黃金集團有限公司), and the actual controller of the Company is the State-owned Assets Supervision and Administration Commission of Shandong Provincial People’s Government (山東省人民政府國有資產監督管理委員會).

The financial statements were approved by the Company’s Board of Directors for issuance on 27 August 2025.

IV. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1. Basis of preparation

The financial statements of the Company have been prepared on a going concern basis.

2. Going concern

☒ Applicable ☐ N/A

The Company evaluated the going concern capability for the 12 months from the end of the reporting year and found no matters or circumstances that could raise serious doubts about the going concern capability. Therefore, the financial statements are presented on a going concern basis.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Specific accounting policies and accounting estimates indication:

☒ Applicable ☐ N/A

The specific accounting policies and accounting estimates formulated by the Company according to the actual production and operation characteristics include impairment of financial instruments, measurement of inventories dispatched, classification and depreciation methods of fixed assets, amortization of intangible assets, impairment of goodwill, revenue recognition and measurement, etc.

1. Statement of compliance with accounting standards for business enterprises

The financial statements prepared by the company meet the requirements of the Accounting Standards for Business Enterprises and give a true and complete view of the Company's financial position, operating results, changes in shareholders' equity, cash flows and other relevant information.

2. Accounting period

The Company's accounting period is from 1 January to 31 December of each calendar year.

3. Business cycle

☒ Applicable ☐ N/A

The company's business cycle is 12 months, which is used as the basis for classifying the liquidity of assets and liabilities.

4. Functional currency

The functional currency of the Company and its subsidiaries in the PRC is Renminbi. The overseas subsidiaries of the Company determine their functional currencies according to the currency in the principal economic environment in which they operate. Financial statements denominated in foreign currency are translated into Renminbi for the preparation of the financial statements.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

5. Methodology for determining materiality criteria and basis for selection

✓ Applicable ☐ N/A

Item	Materiality criteria
Significant receivables for which bad debt provision is made on an individual basis/ significant receivables	The single amount accounts for more than 10% of the total bad debt provision for various receivable/balance of various receivables and the amount is greater than RMB10 million.
Prepayments of significant amounts and with aging of over 1 year	The amount of a single prepayment with aging of over 1 year accounts for more than 10% of the total prepayments.
Material contract liabilities	The amount of a single contract liability with aging of over 1 year accounts for more than 10% of the total contract liabilities.
Significant accounts payables and other payables	The amount of a single item of accounts payable/other payable with aging of over 1 year accounts for more than 10% of the total accounts payables/other payables.
Major construction in progress	The cumulative expenditure of individual construction in progress accounts for more than 1% of the net assets of the consolidated statements.
Major investing activities	The amount of individual investment activities accounts for more than 1% of the net assets of the consolidated statements.
Major non-wholly owned subsidiaries/joint ventures/material foreign joint operations included in the consolidation/structured entities	The income, net profit, net assets and total assets of a single entity account for more than 10% of the related items of such entities included in the scope of consolidation.
Major joint ventures or associates	The book value of long-term equity investment in a single investee accounts for more than 1% of the Group's net assets, or the investment profit and loss under the equity method of long-term equity investment accounts for more than 2.5% of the Group's consolidated net profit.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

6. Accounting treatments of business combinations involving entities under common control and entities not under common control

✓ Applicable ☐ N/A

(1) Business combinations involving entities under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory.

Assets and liabilities acquired by the Group as a consolidator in a business combination under common control are measured at the book value of the consolidated party in the consolidated statements of the ultimate controlling party at the date of consolidation. The difference between the book value of the net assets acquired and the book value of the consideration paid for the merger (or the total par value of the issued shares) is adjusted to capital reserves; if capital reserves are not sufficient to offset the difference, retained earnings are adjusted.

(2) Business combinations involving entities not under common control

A business combination involving entities not under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the business combination.

The acquiree's identifiable assets, liabilities and contingent liabilities obtained by the Group as the purchaser in a business combination not under common control shall be measured at fair value at the acquisition date. Where the cost of combination exceeds the acquirer's share of the fair value of the acquiree's identifiable net assets, the difference is recognized as goodwill; where the cost of combination is less than the acquirer's share of the fair value of the acquiree's identifiable net assets, the measurement of the fair values of all the identifiable assets, liabilities and contingent liabilities obtained in the business combination and the combination cost is firstly reviewed. If, after that review, the cost of combination is still less than the acquirer's share of the fair value of the acquiree's identifiable net assets in the business combination, the difference shall be included in the consolidated non-operating revenue for the period.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

7. Criteria of control and preparation of consolidated financial statements

✓ Applicable ☐ N/A

The scope of consolidated financial statements of the Group is determined on the basis of control, including the Company and all subsidiaries controlled by the Company (including enterprises, a divided part of investees and structured entities that are controlled by the Company). The Group's criteria for determining control are that the Group has power over the, enjoys variable returns by participating in the relevant activities of the investee, and has the ability to use its power to affect its returns.

When preparing the consolidated financial statements, where the accounting policy and the accounting period that subsidiaries adopted are inconsistent with the Company, necessary adjustments are made to the financial statements of those subsidiaries according to the accounting policies or accounting period of the Company.

The impact of internal transactions between the Company and subsidiaries and internal transactions among subsidiaries on the consolidated financial statements is offset at the time of consolidation. Proportion of owner's equity of the subsidiaries which do not belong to the Company, and proportion of profit or loss for current period, other comprehensive income and total comprehensive income which belong to the equity of minority shareholders, which shall be listed under "non-controlling interests, profit or loss attributable to non-controlling interests, other comprehensive income attributable to non-controlling interests and total comprehensive income attributable to non-controlling interests" in the consolidated financial statements.

For subsidiaries acquired through business combination under common control, the operating results and cash flows of the acquiree shall be consolidated into the consolidated financial statements since the beginning of the period of combination. When preparing comparative consolidated financial statements, adjustment shall be made to the related items in the financial statements for the last year, regarding as the reporting subject which was formed after combination has existed since the ultimate controller started control.

For subsidiaries acquired through business combination not under common control, its operating results and cash flows shall be included in the consolidated financial statements since the Group obtained its control. When preparing consolidated financial statements, adjustment shall be made to financial statements of the subsidiaries using the fair values of each identifiable assets, liabilities and contingent liabilities as basis, which were determined on the date of acquisition.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

8. Classification of joint venture arrangements and accounting treatment for joint operations

☒ Applicable ☐ N/A

Joint arrangement of the Group includes joint operation and joint venture. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement only have rights to the net assets of the arrangement.

As for joint operation, the Group, as the party in the joint operation, recognizes assets and liabilities that it holds and assumes individually, and the assets and liabilities that it holds or assume in proportion, and recognizes the related income and expenses separately or on a share basis according to relevant agreements. In the case of a purchase or sale of assets that do not constitute a business with a joint operation, only the portion of the profit or loss arising from the transaction attributable to other participants in the joint operation is recognized.

9. Determination criteria for cash and cash equivalents

Cash equivalents are the Company's short-term (it generally expires within three months from the date of purchase), highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

10. Foreign currency businesses and translation of foreign currency statements

☒ Applicable ☐ N/A

(1) Foreign currency transactions

The foreign currency transactions of the Group, when initially recognized, are translated into the functional currency at the prevailing spot exchange rate on the date of the transaction. As at the balance sheet date, foreign currency monetary items are translated into functional currency using the spot exchange rate at the balance sheet date. Translation differences arising thereon are directly included in the profit or loss for the period, except that exchange differences arising from specific borrowings in foreign currency attributable to the construction or production of a qualifying asset for capitalization are dealt with based on the capitalization principle. The foreign currency non-monetary items measured at historical cost shall still be translated at the spot exchange rate on the date of the transaction, and the amount measured by the functional currency is not changed. Foreign currency non-monetary items measured at fair value are translated at the spot exchange rate on the date of determination of the fair value. The difference between the amounts of the functional currency before and after the translation will be treated as changes in fair value (including changes in foreign exchange rates) and recognized in profit or loss for the period. The capital invested in foreign currency by the investor shall be converted at the spot rate on the date of the transaction, and there is no translation difference between the capital invested in foreign currency and the amount of the corresponding monetary item measured by the functional currency.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

10. Foreign currency businesses and translation of foreign currency statements *(Continued)*

(2) Translation of foreign currency financial statements

The Group translates the financial statements of its foreign operations into RMB in the preparation of its consolidated financial statements, of which: the asset and liability items in the foreign currency balance sheet shall be translated as per the spot exchange rate on the balance sheet date; the owner's equity items, except for the item of "undistributed profit", shall be translated as per the spot exchange rate at the time of business occurrence; the income and expenditure items in the income statement shall be translated as per the spot exchange rate (or based on the actual situations) on the transaction date. The translation differences in the foreign currency financial statements arising from the above translations shall be presented in other comprehensive income. Foreign currency cash flow is translated as per the spot exchange rate (or based on the actual situations) on the date when the said cash flow occurs. The amount of influence of exchange rate change on cash shall be listed in the statement of cash flows separately.

11. Financial instruments

✓ Applicable ☐ N/A

(1) Recognition and derecognition of financial instrument

A financial asset or financial liability is recognized when the Group becomes a party to a contract for a financial instrument.

When the following conditions are satisfied, financial assets (or part of the financial assets or part of a group of similar financial assets) are derecognized, i.e. the previously recognized financial assets are transferred out of the account and balance sheet: 1) the rights to receive cash flows from the financial assets expire; 2) the rights to receive cash flows from the financial assets have been transferred, or the obligation to promptly pay all of the cash flows to a third party has been assumed under a "passthrough" agreement; and substantially all of the risks and rewards of ownership of the financial assets have been transferred, or substantially all of the risks and rewards of ownership of the financial assets have not been transferred or retained but the control over such financial assets has been renounced.

A financial liability is derecognized when the obligation is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same creditor on substantially different terms, or the terms of an existing financial liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability, and the difference shall be included in the current profit or loss.

Regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

11. Financial instruments *(Continued)*

(2) Measurement and classification of financial assets

The Group's financial assets are classified into financial assets at amortized cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets at initial recognition. All affected related financial assets will be reclassified only if the Group changes its business model for managing financial assets.

In making judgments about the business model, the Group considers, among other things, the way the enterprise evaluates and reports the performance of financial assets to key management personnel, the risks affecting the performance of financial assets and the way they are managed, and the manner in which the relevant business management personnel are compensated. In evaluating whether the objective is to collect contractual cash flows, the Group analyzes and judges the reasons, timing, frequency, and value of sales of financial assets before their maturity dates.

When judging the characteristics of contractual cash flow, the Group needs to determine whether the contractual cash flow is only for the payment of principal and interest based on unpaid principal. When evaluating the correction of the time value of money, it is necessary to judge whether there is a significant difference compared to the benchmark cash flow. For financial assets with prepayment characteristics, it is necessary to judge whether the fair value of prepayment characteristics is very low.

Financial assets are measured at fair value on initial recognition, but trade or bills receivables arising from the sale of goods or services, etc., that do not contain a significant financing component or do not consider a financing component for more than one year are initially measured at the transaction price.

For financial assets measured at fair value through profit or loss, transaction costs are charged directly to profit or loss, and transaction costs relating to other types of financial assets are charged to the amount initially recognized.

Subsequent measurement of financial assets depends on their classification:

1) *financial assets measured in amortized cost*

The Group classifies financial assets as financial assets at amortized cost if both of the following conditions are met: ① the financial asset is managed in a business model that aims to collect the contractual cash flows; and ② the contractual terms of the financial asset specify that the cash flows that arise at a particular date are solely payments of principal and interest based on the amount of the principal outstanding. The Group's financial assets that fall into this category include bills and trade receivables, other receivables, debt investments and long-term receivables etc.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

11. Financial instruments *(Continued)*

(2) Measurement and classification of financial assets *(Continued)*

2) *Investments in debt instruments at fair value through other comprehensive income*

Financial assets that simultaneously meet the following conditions are classified as financial assets at fair value through other comprehensive income: ① the financial asset is managed in a business model that aims at both collecting the contractual cash flows and selling the financial asset; and ② the contractual terms of the financial asset stipulate that the cash flows generated at a particular date are solely payments of principal and interest based on the amount of the principal outstanding. The Company recognizes interest income on these financial assets using the effective interest method. Changes in fair value are included in other comprehensive income, except for interest income, impairment losses and exchange differences, which are recognized in profit or loss for the period. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is transferred from other comprehensive income to profit or loss for the current period. The Group's financial assets in this category mainly include: other debt investment and receivables financing.

3) *Investments in equity instruments at fair value through other comprehensive income*

The Group irrevocably designates part of the investments in non-trading equity instruments as financial assets at fair value through other comprehensive income. Such designation cannot be revoked once made. The Group only recognizes relevant dividend income (except for dividend income that is clearly recovered as part of the investment cost) in profit or loss for the period, and subsequent changes in fair value are included in other comprehensive income without making the provision for impairment. Upon derecognition of the financial assets, the cumulative gains or losses previously included in other comprehensive income shall be transferred out and be included in retained earnings. The Group's financial assets in this category are investments in other equity instruments.

4) *Financial assets at fair value through profit or loss*

Other than the above financial assets classified as financial assets measured at amortized cost and those classified as financial assets at fair value through other comprehensive income, the Group classifies its financial assets as financial assets at fair value through profit or loss. Such financial assets are subsequently measured at fair value, with all changes in fair value included in profit or loss for the period except for those related to hedge accounting. The Group's financial assets in this category mainly include: financial assets held for trading.

For the financial assets that consist of the contingent consideration recognized by the Group in the business combination not under common control, such financial assets are classified as the financial assets at fair value through profit or loss.

At initial recognition, in order to eliminate or significantly reduce the accounting mismatch, the Group designates the following financial assets as financial assets at fair value through profit or loss: other non-current financial assets.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

11. Financial instruments *(Continued)*

(3) Classification, recognition and measurement of financial liabilities

Except for the signed financial guarantee contracts, the loan commitments for loans at below-market interest rates, and financial liabilities arising from the transfer of a financial asset that does not meet the conditions for derecognition or continues to be involved in the transferred financial asset, the Group classifies its financial liabilities as financial liabilities at fair value through profit or loss and financial liabilities measured at amortized cost at the time of initial recognition. For financial liabilities measured at fair value through profit or loss, relevant transaction costs are charged directly profit or loss for the period; as for financial liabilities measured at amortized cost, relevant transaction costs are charged to the amount initially recognized.

Subsequent measurement of financial liabilities depends on their classification:

1) *Financial liabilities measured at amortized cost*

Financial liabilities measured at amortized cost are recognized using the effective interest method and subsequently measured at amortized cost.

2) *Financial liabilities at fair value through profit or loss*

Financial liabilities (includes derivative instruments that are financial liabilities) at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as measured at fair value through profit or loss at initial recognition. Financial liabilities held for trading (includes derivative instruments that are financial liabilities) are subsequently measured at fair value, with all changes in fair value included in profit or loss for the period, except for those related to hedge accounting. Financial liabilities designated as measured at fair value through profit or loss are subsequently measured at fair value. Other changes in fair value are included in the profit or loss of the current period except for changes in fair value arising from changes in the Group's own credit risk, which are included in other comprehensive income. If changes in fair value arising from changes in the Group's own credit risk are recognized in other comprehensive income, which would cause or enlarge an accounting mismatch in profit or loss, the Group will account for all changes in fair value (including the amount of the effect of changes in its own credit risk) in profit or loss for the current period.

Only if one of the following conditions is met, financial liabilities can be designated as financial liabilities at fair value through profit or loss on initial recognition: ① it can eliminate or significantly reduce the accounting mismatch; ② the formal written document of risk management or investment strategy has stated that the portfolio of financial instruments is managed, evaluated and reported to key managers on the basis of fair value; ③ a hybrid instrument that contains one or more embedded derivatives, unless the embedded derivatives have no significant change in the cash flow of the hybrid instrument, or the embedded derivatives should obviously not be separated from the related hybrid instruments; ④ hybrid instruments containing embedded derivatives that need to be split but cannot be measured separately at the time of acquisition or at subsequent ends of reporting periods.

According to the above conditions, the financial liabilities designated by the Group mainly include financial liabilities held for trading or financial liabilities portfolio. Financial liabilities arising from contingent consideration recognized by the Group as the acquirer in a business combination not involving entities under common control are accounted for at fair value through profit or loss.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

11. Financial instruments *(Continued)*

(4) Impairment of financial instruments

Based on expected credit losses, the Group conducts impairment treatment and recognizes loss provisions for financial assets measured at amortized cost, debt investments measured at fair value through other comprehensive income, contract assets, lease receivables, loan commitments, and financial guarantee contracts.

1) *Measurement of the expected credit losses*

Expected credit losses are the weighted average of the credit losses on financial instruments weighted by the risk of default. Credit losses represent the difference between all contractual cash flows receivable under the contract and all cash flows expected to be received, discounted at the Group's original effective interest rate, being the present value of all cash shortfalls.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the balance sheet date (or a shorter period if the expected life of the instrument is less than 12 months).

For accounts receivable, bills receivable, receivables financing, contract assets, etc. that do not contain a significant financing component and are generated from ordinary operating activities, such as sales of goods and rendering of services, the Group applies a simplified measurement methodology to measure the provision for losses at an amount equal to the expected credit losses over the entire life of the asset.

For lease receivables, receivables and contract assets with significant financing components, the Group applies a simplified measurement methodology to measure the provision for losses at an amount equal to the expected credit losses over the entire life of the asset.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

11. Financial instruments *(Continued)*

(4) Impairment of financial instruments *(Continued)*

1) *Measurement of the expected credit losses (Continued)*

Except for financial assets (such as debt investments, other debt investments, other receivables), loan commitments and financial guarantee contracts that adopt simplified measurement methods as mentioned above, the Group adopts the general method (three-stage method) to calculate expected credit losses. On each balance sheet date, the Group assesses whether its credit risk has significantly increased since initial recognition. If the credit risk has not significantly increased since initial recognition and is in the first stage, the Group measures the provision for losses based on an amount equivalent to the expected credit loss for the next 12 months, and calculates interest income based on the book balance and actual interest rate. If credit risk has significantly increased since initial recognition but credit impairment has not yet occurred, in the second stage, the Group measures loss provisions at an amount equivalent to the expected credit loss over the entire existence period, and calculates interest income based on the book balance and actual interest rate. If credit impairment occurs after initial recognition, in the third stage, the Group measures the provision for losses at an amount equivalent to the expected credit loss for the entire existence period, and calculates interest income at amortized cost and actual interest rate.

For financial instruments with only low credit risk at the balance sheet date, the Group assumes that their credit risk has not increased significantly since initial recognition. Please refer to Note X.(1) for the disclosure of the criteria for significantly increasing credit risk and the definition of credit impairment assets that have occurred in the Group.

The Group has adopted the expected credit loss model to evaluate the impairment of financial instruments and contract assets. The Group estimates the changes of the debtor's credit risk according to past repayment records, taking into account economic policies, macro-economic indicators, industry risks and other factors. Differences in estimates may have an impact on the provision for impairment. A provision for impairment may not be equal to the actual amount of impairment losses in the future.

2) *Combination category and determination basis of impairment provision based on combination of credit risk characteristics*

The Group evaluates the expected credit losses of financial instruments based on individual and combination. When evaluating on a combination basis, the Group divides financial instruments into different groups based on common credit risk characteristics. The common credit risk characteristics adopted by the Group include: financial instrument type, credit risk rating, debtor's geographical location, debtor's industry, overdue information, ageing of accounts receivable, etc.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

11. Financial instruments *(Continued)*

(4) Impairment of financial instruments *(Continued)*

2) *Combination category and determination basis of impairment provision based on combination of credit risk characteristics (Continued)*

① Portfolio category and determination basis for accounts receivable

The Group classifies accounts receivable according to the similarity and correlation of credit risk characteristics based on information such as aging, nature of accounts, credit risk exposure and historical collection status. For accounts receivable, the Group regards aging as the main factor affecting their credit risk. Therefore, the Group assesses their expected credit losses based on aging portfolio.

② Portfolio category and determination basis of notes receivable

The Group classifies notes receivable into different portfolios based on the credit risk of the acceptor as a shared risk characteristic, and establishes the accounting estimation policy for expected credit losses as follows: a. bank acceptance bills issued by listed commercial banks are considered by the Group to carry low credit risk; consequently, no expected credit loss is recognized; b. bank acceptance bills issued by non-listed commercial banks and trade acceptance bills are measured for expected credit losses by applying the Group's expected loss rate policy for accounts receivable, with portfolio classification consistent with that of accounts receivable.

③ Portfolio category and determination basis of other receivables

Other receivables of the Group mainly include deposits and guarantees receivable, employee reserve funds receivable, rent receivable, loans and advances receivable, current accounts due from related parties, tax refunds receivable, etc. Based on the nature of receivables and the credit risk characteristics of different counterparties, the Group classified other receivables into the following portfolios: deposits and guarantees receivable, amounts due from related parties, tax refund receivables, other receivables and low-risk portfolios.

3) *Criteria for judging individual provision for bad debt impairment provision*

If a customer's credit risk characteristics are significantly different from others in the portfolio or have significantly changed, for example, the customer is in severe financial difficulty, the expected credit loss rate of the receivables from the customer has been significantly higher than the expected credit loss rate of the customer's ageing and overdue ranges, etc., the Group makes a provision for loss on the basis of individual provision for the receivables from the customer.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

11. Financial instruments *(Continued)*

(4) Impairment of financial instruments *(Continued)*

4) *Write-off of impairment provision*

When the Group no longer has a reasonable expectation that it will be able to recover, in whole or in part, the contractual cash flows from a financial asset, the Group directly writes down the carrying amount of the financial asset. If the written-down financial asset is subsequently recovered, the reversal of the impairment loss is recognised in profit or loss in the period in which it is recovered.

(5) Recognition basis and measurement method of transfer of financial assets

For financial asset transfer transactions, if the Group has transferred almost all the risks and rewards of ownership of the financial asset to the transferee, the recognition of the financial asset shall be terminated. If almost all risks and rewards related to the ownership of financial assets are retained, the recognition of such financial assets shall not be terminated; If almost all risks and rewards related to the ownership of financial assets have not been transferred or retained, and control over the financial asset has been relinquished, the recognition of the financial asset and the recognition of the resulting assets and liabilities shall be terminated. If control over the financial asset has not been relinquished, relevant financial asset shall be recognised based on its continued involvement in the transferred financial assets, with corresponding liabilities recognised.

If the whole transfer of the financial asset meets the conditions for derecognition, the difference between the carrying amount of the transferred financial asset at the date of derecognition and the sum of the consideration received for the transfer and the accumulative amount of fair value changes originally recorded into other comprehensive income which is relevant to the portion of derecognition (the transferred financial asset shall meet all of the following conditions: ① the Group's financial assets are managed within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and ② the contractual terms of the financial assets give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.) is included in the profit or loss for the period.

If the transfer of financial asset partially satisfies the conditions of derecognition, the entire carrying amount of the transferred financial asset is, between the portion which is derecognised and the portion which is not, apportioned according to their respective relative fair value, and the difference between the sum of the consideration received from the transfer and the accumulative amount of the changes of the fair value originally included in other comprehensive income which shall be apportioned to the derecognised portion (the transferred financial asset shall meet all of the following conditions: ① the Group's financial assets are managed within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and ② the contractual terms of the financial assets give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding), and the apportioned entire carrying amount of the said financial assets are included in the profit or loss for the period.

For those who continue to be involved by providing financial guarantees for the transferred financial assets, the assets formed by further involvement shall be recognised based on the lower of the book value of the financial assets and the amount of financial guarantees. The financial guarantee amount refers to the highest amount of consideration received that will be required to be repaid.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

11. Financial instruments *(Continued)*

(6) Classification and treatment of financial liabilities and equity instruments

The Group classifies financial liabilities and equity instruments on the following principles: (1) Where the Group is unable to unconditionally avoid delivering cash or another financial asset to fulfill a contractual obligation, the contractual obligation meets the definition of a financial liability. Although some financial instruments do not explicitly include the terms and conditions imposing the contractual obligation to deliver cash or another financial asset, they may indirectly give rise to the contractual obligation through other terms and conditions. (2) Where a financial instrument will or may be settled in the Group's own equity instrument, consideration shall be given to whether the Group's own equity instrument as used to settle the instrument is a substitute of cash or another financial asset or the residual interest in the assets of an entity after deducting all of its liabilities. In the former case, the instrument shall be the issuer's financial liability; in the latter case, the instrument shall be the equity instrument of the issuer. Under certain circumstances whereby a financial instrument contract stipulates that the Group will or may use its own equity instrument to settle the financial instrument, and the amount of the contractual right or obligation equal to the number of its own equity instruments to be received or delivered multiplied by their fair value at the time of settlement, the contract shall be classified as a financial liability, regardless of whether the amount of the contractual right or obligation is fixed, or fluctuates in full or in partly in response to changes in a variable other than the market price of the Group's own equity instruments (for example an interest rate, a commodity price or a financial instrument price).

When classifying a financial instrument (or a component thereof) in consolidated financial statements, the Group shall consider all terms and conditions agreed between members of the Group and the holders of the financial instrument. If the Group as a whole has an obligation in respect of the instrument to settle it by delivering cash or another financial asset or in such a way that it would be a financial liability, such instrument shall be classified as a financial liability.

At initial recognition, the Group classifies the preference shares and perpetual bonds issued or their components as financial assets, financial liabilities, or equity instruments based on their contractual terms and economic substance with reference to the definition of financial assets, financial liabilities, and equity instruments.

If the financial instrument or its components are classified as financial liabilities, the relevant interest, stock dividends (or dividends), gains or losses, and gains or losses arising from redemption or refinancing are included in profit or loss for the current period.

If the financial instrument or its components are equity instruments, it is treated as a change in equity and not recognized change in the fair value of equity instruments when it is issued (including refinancing), repurchased, sold, or canceled.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

11. Financial instruments *(Continued)*

(7) Derivative financial instruments

The Group uses derivative financial instruments, such as foreign exchange forward contracts, commodity forward contracts, and interest rate swaps, to hedge exchange rate risk, commodity price risk, and interest rate risk, respectively. Derivative financial instruments are initially measured at their fair value on the date of signing the derivative transaction contract, and subsequently measured at their fair value. Derivative financial instruments with a positive fair value are recognised as an asset, while those with a negative fair value are recognised as a liability.

Gains or losses arising from changes in fair value of derivative instruments are directly included in the profit or loss for current period.

(8) Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made by the Group to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are measured at fair value at initial recognition. Subsequent to initial recognition, financial guarantee contracts that are not designated as financial liabilities at fair value through profit or loss are measured at the higher of the expected credit loss provision recognised at the balance sheet date and the amount initially recognised less cumulative amortisation amount in accordance with the guidance for revenue recognition.

(9) Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities of the Group shall be presented separately in the balance sheet and shall not be offset. However, when all of the following conditions are met, a financial asset and a financial liability shall be offset and the net amount is presented in the balance sheet: (1) the Group has a legal right that is currently enforceable to set off the recognised amount, and (2) the Group intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

12. Notes receivable

☒ Applicable ☐ N/A

Portfolio categories and determination basis with provision for bad debts made according to the credit risk characteristic portfolio

☒ Applicable ☐ N/A

The Group evaluates the expected credit losses of financial instruments based on individual and combination. When evaluating on a combination basis, the Group divides financial instruments into different groups based on common credit risk characteristics. The common credit risk characteristics adopted by the Group include: financial instrument type, credit risk rating, debtor's geographical location, debtor's industry, overdue information, ageing of accounts receivable, etc.

Portfolio category and determination basis of notes receivable

The Group classifies notes receivable into different portfolios based on the credit risk of the acceptor as a shared risk characteristic, and establishes the accounting estimation policy for expected credit losses as follows: a. bank acceptance bills issued by listed commercial banks are considered by the Group to carry low credit risk; consequently, no expected credit loss is recognized; b. bank acceptance bills issued by non-listed commercial banks and trade acceptance bills are measured for expected credit losses by applying the Group's expected loss rate policy for accounts receivable, with portfolio classification consistent with that of accounts receivable.

The ageing calculation method for the credit risk characteristic portfolio confirmed based on the ageing of accounts

☐ Applicable ☒ N/A

Judgment criteria for individual provision with provision for bad debts made on an individual basis

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

13. Accounts receivable

☒ Applicable ☐ N/A

Portfolio categories and determination basis with provision for bad debts made according to the credit risk characteristic portfolio

☒ Applicable ☐ N/A

The Group classifies accounts receivable according to the similarity and correlation of credit risk characteristics based on information such as aging, nature of accounts, credit risk exposure and historical collection status. For accounts receivable, the Group regards aging as the main factor affecting their credit risk. Therefore, the Group assesses their expected credit losses based on aging portfolio.

The ageing calculation method for the credit risk characteristic portfolio confirmed based on the ageing of accounts

☐ Applicable ☒ N/A

Judgment criteria for individual provision with provision for bad debts made on an individual basis

☒ Applicable ☐ N/A

If a customer's credit risk characteristics are significantly different from others in the portfolio or have significantly changed, for example, the customer is in severe financial difficulty, the expected credit loss rate of the receivables from the customer has been significantly higher than the expected credit loss rate of the customer's ageing and overdue ranges, etc., the Group makes a provision for loss on the basis of individual provision for the receivables from the customer.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

14. Accounts receivable financing

☒ Applicable ☐ N/A

Portfolio categories and determination basis with provision for bad debts made according to the credit risk characteristic portfolio

☒ Applicable ☐ N/A

The Group classifies accounts receivable according to the similarity and correlation of credit risk characteristics based on information such as aging, nature of accounts, credit risk exposure and historical collection status. For accounts receivable, the Group regards aging as the main factor affecting their credit risk. Therefore, the Group assesses their expected credit losses based on aging portfolio.

The ageing calculation method for the credit risk characteristic portfolio confirmed based on the ageing of accounts

☐ Applicable ☒ N/A

Judgment criteria for individual provision with provision for bad debts made on an individual basis

☒ Applicable ☐ N/A

If a customer's credit risk characteristics are significantly different from others in the portfolio or have significantly changed, for example, the customer is in severe financial difficulty, the expected credit loss rate of the receivables from the customer has been significantly higher than the expected credit loss rate of the customer's ageing and overdue ranges, etc., the Group makes a provision for loss on the basis of individual provision for the receivables from the customer.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

15. Other receivables

☒ Applicable ☐ N/A

Portfolio categories and determination basis with provision for bad debts made according to the credit risk characteristic portfolio

☒ Applicable ☐ N/A

Other receivables of the Group mainly include deposits and guarantees receivable, employee reserve funds receivable, rent receivable, loans and advances receivable, current accounts due from related parties, tax refunds receivable, etc. Based on the nature of receivables and the credit risk characteristics of different counterparties, the Group classified other receivables into four portfolios: deposits and guarantees receivable, amounts due from related parties, tax refund receivables and other receivables.

The ageing calculation method for the credit risk characteristic portfolio confirmed based on the ageing of accounts

☐ Applicable ☒ N/A

Judgment criteria for individual provision with provision for bad debts made on an individual basis

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

16. Inventories

☒ Applicable ☐ N/A

Categories of inventories, valuation method of inventories upon delivery, count system, amortization method for low cost and short-lived consumable items and packaging materials

☒ Applicable ☐ N/A

The Group's inventories mainly include raw materials, turnover materials, commissioned processing materials, goods delivered, consumable biological assets, contract performance costs, work-in-progress and goods in stock.

Inventories are initially measured at cost. Cost of inventories includes purchase costs, processing costs and other costs. Inventories adopt the perpetual inventory system, and are valued by the actual cost when acquired. The actual costs of requisitioned or issued inventories are determined by the weighted average method. Turnover materials are amortized by the one-off write-off method.

Determination criteria and provision method for inventory write-downs

☒ Applicable ☐ N/A

On the balance sheet date, inventories should be measured at the cost or the net realizable value, whichever is lower. Where the inventory cost is higher than its net realizable values, the inventory write downs should be made and included in the profit or loss for current period. The net realizable values refer to the amounts of the estimated selling prices of inventories minus the estimated costs to completion, estimated selling expenses and relevant taxes and surcharges.

The net realisable value of inventories of merchandise held for direct sale, such as goods in stock, work-in-progress and materials for sale of the Group, shall be determined as the estimated selling price of the inventory less estimated selling expenses and related taxes and surcharges; the net realisable value of inventories of materials held for production shall be determined as the estimated selling price of the finished goods less the estimated costs to be incurred upon completion, estimated selling expenses and related taxes and surcharges.

Portfolio category and determination basis of provision for inventories on a collective basis, basis for determining net realizable value for different categories of inventories

☐ Applicable ☒ N/A

Calculation method of and basis for determining net realizable value for each age group of inventories whose net realizable value is determined based on its age in stock

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

17. Contract assets

☒ Applicable ☐ N/A

Recognition method and criteria of contract assets

☒ Applicable ☐ N/A

Contract assets refer to the rights to receive consideration for the transfer of goods by the Group to its customers, and that right depends on factors other than the passage of time. If the Group sells two commodities that can be clearly distinguished to its customers, under which condition the Group has the right to collect money because one of the commodities has been delivered, while the collection of money also depends on the delivery of the other commodity, the Group regards the right to collect money as the contract assets.

Portfolio categories and determination basis with provision for bad debts made according to the credit risk characteristic portfolio

☐ Applicable ☒ N/A

The ageing calculation method for the credit risk characteristic portfolio confirmed based on the ageing of accounts

☐ Applicable ☒ N/A

Judgment criteria for individual provision with provision for bad debts made on an individual basis

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

18. Non-current assets or disposal group held for sale

✓ Applicable ☐ N/A

The Group classifies non-current assets or disposal group that meet the following criteria as available-for-sale: 1) Disposable immediately under current conditions based on similar transactions for disposals of such assets or practices for the disposal group; 2) Probable disposal; that is, a decision has been made on a plan for disposal and an undertaking to purchase has been obtained, and the disposal is expected to be completed within a year. Relevant approval is required for disposals requiring approval of relevant authorities or regulators as required by relevant regulations. Before the Group classifies non-current assets or disposal groups as held for sale for the first time, the book value of each asset and liability of the non-current assets or disposal group is measured according to the requirements of the relevant accounting standards. On initial measurement or remeasurement of non-current assets held for sale or a disposal group on the balance sheet date, if their carrying amount is higher than the fair value less disposal expenses, the carrying amount shall be reduced to the fair value less disposal expenses. The amount of the reduction shall be recognized as an asset impairment loss and included in the profit or loss for current period, and an impairment provision for held-for-sale assets shall be made simultaneously.

Non-current assets or disposal groups which the Group acquired specifically for disposal, satisfy the requirement of “expected completion of disposal within one year” on the date of acquisition, and is probable to satisfy conditions of other held for sale classifications in the short term (usually within 3 months) are classified as held for sale on the date of acquisition. At initial measurement, the initial measurement assuming that it is not classified as held for sale and the net value of fair value less disposal expenses are compared, and the lower of the two is measured. Other than non-current assets or disposal groups acquired through corporate merger, the difference arising from recognising the net value of fair value of non-current assets or disposal groups less disposal expenses as initial measurement is recognised in profit and loss in the current period.

Where the Group has lost control of a subsidiary due to reasons such as disposal of investment in a subsidiary, regardless of the Group retaining part equity investment after the disposal, upon the investment in subsidiary intended to be disposed of satisfying the conditions for classification as held for sale, the investment in subsidiary will be generally classified as held for sale in the parent’s separate financial statements, and all assets and liabilities of the subsidiary is classified as held for sale in the consolidated financial statements.

Where there is increase in net value of fair value less disposal expenses for non-current assets held for sale on subsequent balance sheet dates, the previously charged difference should be recovered and reversed in asset impairment loss recognised after classification as held for sale investment, with the reversal amount recognised in profit and loss in the current period. Asset impairment loss recognised before classification as held for sale is not reversible.

Asset impairment loss recognised for disposal groups held for sale is first offset against the book value of goodwill of the disposal group and then offset against the book values proportionally according to the share of book value of each non-current asset.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

18. Non-current assets or disposal group held for sale *(Continued)*

Where there is increase in net value of fair value less disposal expenses of held for sale disposal groups subsequent to the balance sheet date, the previously charged difference should be recovered and reversed in asset impairment loss of non-current assets recognised as required by the appropriate relevant measurement after classification as held for sale, with the reversal amount recognised in profit and loss in the current period. Offset goodwill book value and asset impairment loss recognised before classification as held for sale are not reversible.

Reversal amount after recognition of asset impairment loss of held for sale disposal group other than goodwill in the disposal group should be added proportionally based on the book value share to the book value of each non-current asset.

No provision for depreciation or amortisation of non-current assets held for sale non-current assets or disposal groups, and interest on liabilities and other expenses of disposal groups held for sale continues to be recognised.

When non-current assets or disposal groups held for sale are no longer classified as held for sale or non-current assets are removed from disposal groups held for sale, measurement is performed based on the lower of the following: (1) book value prior to classification as held for sale adjusted by recognition of depreciation, amortisation or impairment assuming there was no classification as held for sale; (2) recoverable amount.

Upon derecognition of non-current assets or disposal groups held for sale, unrecognised gain or loss is recognised in profit or loss in the current period.

Recognition criteria and accounting treatment methods for non-current assets or disposal groups classified as held for sale

☐ Applicable ☒ N/A

Identification criteria and presentation method of discontinued operation

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

19. Long-term equity investments

✓ Applicable ☐ N/A

Long-term equity investments of the Group include the investments in subsidiaries, investments in associates and investments in joint ventures.

(1) Judgment of significant influence and joint control

The Group's investment in associates refers to the equity investment that has a significant influence on the investee. Significant influence means that the Group has the power to participate in decision-making on the financial and operational policies of the investee, but cannot control or jointly control the formulation of these policies with other parties. When the Company directly or indirectly throughout its subsidiary owns 20% (inclusive) or more but less than 50% shares with voting rights in the investee, it is generally considered that the Company has significant influence on the investee, unless there is clear evidence that the Group cannot participate in the production and operation decisions of the investee or form control over the investee.

The equity investment in a joint venture refers to the investment in which the Group exercises joint control with other joint venture parties over the investee and has the power over the net assets of the investee. Joint control refers to the shared control over a certain arrangement in accordance with relevant agreements, and the related activities of the arrangement must be unanimously agreed upon by the participating parties who share control before decision-making can be made. Basis for determination in respect of joint control is that all participating parties or a group of participating parties collectively control such arrangement, and that policies of such related activities of such arrangement have to obtain unanimous agreement by all parties that collectively control such arrangement.

(2) Accounting treatment method

The Group initially measures the long-term equity investments obtained based on the initial investment cost.

For long-term equity investments obtained through business combination under common control, proportion of carrying amount of net assets obtained on the date of combination in the consolidated financial statements of the ultimate controller shall be accounted as the initial investment cost. For carrying amount of net assets of the acquiree which is negative on the date of combination, the initial investment cost is calculated as zero.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

19. Long-term equity investments *(Continued)*

(2) Accounting treatment method *(Continued)*

For long-term equity investments acquired through business combination not under common control, cost of combination will be treated as the initial investment cost; Apart from the long-term equity investments acquired through business combination, for long-term equity investments acquired by cash payment, the initial investment cost shall be based on the actual purchase price paid and the expenses, taxes and other necessary expenditures directly related to the acquisition of long-term equity investments. For long-term equity investments acquired by issuing equity securities, the cost of investment is the fair value of the equity securities issued;

The Company's investments in subsidiaries are accounted for in individual financial statements using cost method. When the cost method is used, long-term equity investments are measured at their initial investment cost. When making additional investment, carrying amount of the long-term equity investments will be increased according to the fair value of cost of additional investment and the related expenses incurred by related transactions. For cash dividend or profit paid by the investee, it shall be recognised as investment income for current period using the amount which it entitles.

The Group's investments in the joint ventures and associates are accounted for under equity method. When using the equity method, if the initial investment cost of a long-term equity investment exceeds the share of the fair value of the identifiable net assets of the investee that should be enjoyed at the time of investment, the book value of the long-term equity investment shall not be adjusted. If the initial investment cost of a long-term equity investment is less than the share of the fair value of the identifiable net assets of the investee that should be enjoyed at the time of investment, the difference shall be adjusted to the book value of the long-term equity investment and included in the profit or loss for current investment period.

For long-term equity investment for which the subsequent measurement is accounted for under equity method, carrying amount of long-term equity investment shall be increased or decreased accordingly according to the change in the shareholders' equity of the investee during the investment period. When determining the amount of proportion of net profit or loss in the investee which it entitles, fair value of each identifiable asset of the investee at the time when the investment is obtained shall be used as basis, and according to the accounting policies and accounting period of the Group, and after offsetting profit or loss from unrealized internal transaction arising from transactions between associates and joint ventures that do not constitute a business, and calculate the proportion which is attributable to the Group according to the shareholding (if internal transaction losses belong to asset impairment losses, they shall be fully recognised), and recognised after adjustment is made to the net profit of the investee. The Group recognises the net loss incurred by the investee, with the book value of long-term equity investments and other long-term equity essentially constituting the net investment in the investee reduced to zero, except for the obligation of the Group to bear additional losses.

When the Group disposes of long-term equity investments, the difference between the carrying amount and the consideration actually received is included in the current investment income.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

19. Long-term equity investments *(Continued)*

(2) Accounting treatment method *(Continued)*

For long-term equity investments under the equity method, when the investment is no longer accounted for under the equity method, the other comprehensive income measured originally under the equity method adopt the same accounting basis as the assets or liabilities disposed of by the investee directly. The owners' equity recognised due to other changes in owners' equity of the investee except the net profit or loss, other comprehensive income and profit distribution shall be transferred to the current investment income in a full amount when the investment is no longer accounted for under the equity method.

If the remaining equity after the disposal of part of the equity is still accounted for using the equity method, the relevant other comprehensive income originally accounted for using the equity method will be treated on the same basis as the investee's direct disposal of relevant assets or liabilities and carried forward on a proportional basis. Owners' equity recognized due to other changes in owners' equity other than net profit or loss, other comprehensive income, and profit distribution will be carried forward to the investment income of the current period on a proportional basis.

Where the common control or significant influence over the investee is lost due to the partial disposal of equity investment, the residual equity after disposal will be recognized as a financial asset, and the difference between the fair value and carrying amount of such residual equity on the date when the common control or significant influence is lost shall be included in profit or loss for the current period.

For the loss of the control over the investee due to disposal of partial long-term equity investments, the residual equity after disposal, if capable of realizing joint control or exerting significant influence over the investee, is changed to the equity method for calculation, the difference for disposal of carrying amount and consideration is included in the investment income, and the residual equity is adjusted as if it was calculated using the equity method since it was acquired; the residual equity after disposal, if unable to realize joint control or exert significant influence on the investee, the financial asset is recognized, the difference between the carrying amount of the equity investment disposed of and the disposal consideration is included in the investment income, and the difference between the fair value and carrying amount of the residual equity on the control-lost date is included in profit or loss for the current period.

For each transaction where equity is disposed of by the Group in stages until loss of control and which does not belong to a package deal, the accounting for each transaction shall be conducted separately. For a package deal, the accounting treatment shall be conducted in a way that each transaction is part of the transaction that disposes of a subsidiary with loss of control. However, before loss of control, the difference between the disposal price for each transaction and the carrying amount of the corresponding long-term investments of the equity disposed of, shall be recognized as other comprehensive income, and, upon loss of control, shall be transferred to the current profit or loss when the control is lost.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

20. Investment properties

(1). If the cost measurement model is adopted

Method of depreciation or amortization

The Group's investment properties refer to properties held for the purpose of earning rentals or capital appreciation, or both, including buildings, land use rights, etc. It was measured using the cost model.

The Group's investment properties are depreciated or amortised in the same manner as buildings or land use rights. The estimated useful lives, net residual value rates and annual depreciation (amortization) rates of various investment properties are as follows:

Category	Depreciation period (years)	Expected residual value rate (%)	Annual depreciation rate (%)
Land use right	5-50	0-5	1.90-20.00
Buildings	5-50	0-5	1.90-20.00

21. Fixed assets

(1) Recognition conditions

☒ Applicable ☐ N/A

The Group's fixed assets are tangible assets with the following characteristics at the same time, i.e., held for the purpose of production of goods, provision of labor services, leasing, or business management, with a useful life of more than one year.

Fixed assets are recognized when it is probable that the economic benefits associated with them will flow to the Group and their cost can be measured reliably. The Group's fixed assets include houses and buildings, general equipment, special equipment, and other equipment.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

21. Fixed assets *(Continued)*

(2). Method of depreciation

☒ Applicable ☐ N/A

Category	Method of depreciation	Depreciation period (years)	Residual rate	Annual depreciation rate
Land, buildings and structures	Average year method or units-of-production method	5-50	0-5	1.90-20.00
General equipment	Average year method	2-20	0-5	4.75-50.00
Special equipment	Average year method	2-20	0-5	4.75-50.00
Furniture, appliances, fittings and others	Average year method	3-30	0-5	3.17-33.33

Except for fixed assets that are fully depreciated but still in use and land that is separately valued and accounted for, the Group provides depreciation for all fixed assets. Depreciation is provided using the average year method or the units-of-production method.

At the end of each year, the Group reviews the estimated useful life, estimated net residual value and depreciation method of fixed assets, and if there is a change, it treats it as a change in accounting estimate.

Except for fixed assets that have been fully depreciated and continue to be used, and land that is separately valued and recorded as fixed assets according to regulations, the Group adopts the units-of-production method when depreciating the underground works assets of buildings and structures, and the depreciation method of other fixed assets is the average year method.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

22. Constructions in progress

✓ Applicable ☐ N/A

Construction in progress is measured at its actual costs. The actual costs include various construction expenditures during the construction period, borrowing costs capitalised before it is ready for intended use and other relevant costs.

Construction in progress is carried forward to fixed assets at the estimated value from the date it reaches the intended usable state, based on the project budget, cost, or actual cost of construction, etc. Depreciation starts from the following month, and the difference in the original value of fixed assets is adjusted after the completion of the final accounting procedures.

Construction in progress is transferred to fixed assets when it is ready for its intended use and the criteria are as follows:

Items	Criteria for transferring to fixed assets
Buildings and structures	Buildings and structures are transferred to fixed assets upon reaching readiness for intended use and completion of all required approval procedures.
Underground works assets	Underground works assets are transferred to underground works assets upon reaching readiness for intended use and completion of all required approval procedures.
Machinery and equipment	The equipment user department and the equipment manufacturer are jointly responsible for equipment installation and commissioning, including hardware debugging and process condition adjustment. After commissioning is completed and the required approval process is finalized, the equipment is transferred to fixed assets.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

23. Borrowing costs

☒ Applicable ☐ N/A

The Group will capitalise the borrowing costs that can be directly attributed to the construction or production of assets eligible for capitalisation, and include them in the relevant asset costs. Other borrowing costs will be recognised in the profit or loss for current period. The assets eligible for capitalisation as determined by the Group include borrowing costs for fixed assets, investment properties and inventories that require more than one year of construction or production activities to reach their intended usable or saleable condition. Capitalisation starts when the assets expenses and borrowing costs have been incurred and the construction or production activities for making the assets reach their intended usable or saleable condition have started; capitalisation stops when the constructed or produced assets eligible for capitalisation conditions have reached their intended usable or saleable condition. Borrowing costs incurred afterwards are included into the profit or loss for current period. If assets eligible for capitalisation conditions interrupt abnormally during construction or production progress, and such interruption lasts for more than three consecutive months, capitalisation of borrowing costs shall be suspended until construction of assets or production activities resume.

In each accounting period within the capitalization period, the Group recognizes the capitalized amount of borrowing costs according to the following method: if a special loan is borrowed, the actual incurred interest costs in current period shall be determined after the interest income from deposits in banks or investment income from temporary investment with the unused borrowings is deducted from it. General borrowings shall be determined by multiplying the weighted average of the excess of the accumulated asset expenditures over the asset expenditures of special borrowings with the capitalization rate of general borrowings used. The capitalization rate shall be calculated and determined in light of the weighted average interest rate of the general borrowings.

24. Biological assets

☒ Applicable ☐ N/A

The biological assets of the Group include consumable biological assets.

The consumable biological assets refer to the biological assets held for sale, or biological assets to be harvested as agricultural products in the future. The Company's consumable biological assets are mainly seedlings. The consumable biological assets are initially measured at cost. The cost of any consumable biological asset by way of self-planting, cultivating or propagating is the necessary expenditures directly attributable to this asset before it is put into storage, consisting of borrowing costs that meet the conditions of capitalization. The subsequent expenditures such as maintenance costs incurred after consumable biological assets are put into storage shall be included in the profits or loss for the current period.

The cost of a consumable biological asset shall, at the time of harvest or sale, be carried forward at its book value by the weighted average method.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

25. Oil and gas assets

☐ Applicable ☒ N/A

26. Intangible assets

(1). Service life and its determination basis, estimation situation, amortization method or checking procedures

☒ Applicable ☐ N/A

Intangible assets of the Group include land use rights, patented technology, mining rights and exploration rights, software, etc., which are measured at actual costs at the time of acquisition. Among them, intangible assets purchased are measured at actual costs based on actual payment and other related expenditures; actual costs of intangible assets invested by investors shall be calculated based on value agreed upon in the investment contract or agreement. However, if value agreed upon in the contract or agreement is unfair, then actual costs shall be confirmed by fair value. However, for intangible assets acquired from the merged party in business combination not under common control, and which are not recognized in its financial statements, they shall be recognized as intangible assets at fair value at the time of initial recognition of the acquiree's assets.

From the day of transfer, land use rights shall be amortized evenly in the period of transferring land use rights; intangible assets such as patented technology, software, etc. are amortized evenly in the shortest period among following three periods: their expected service life, period of enjoying benefits specified in the contract, and effective service life specified by law; mining rights are amortized using the production method from the commencement of mining operations in the relevant mine; exploration rights are not amortized, when they are converted to mining rights, amortization is accrued based on the work performed. The amortization amount shall be recorded into relevant asset cost and current profit or loss based on its beneficiaries. The estimated service life and amortization method of intangible assets with limited service life shall be reviewed at the end of each year. If there are any changes, they shall be treated as accounting estimate changes. During each accounting period, the Group checks estimated service life of intangible assets with an uncertain service life.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

26. Intangible assets *(Continued)*

(2). Scope of R&D expenditures and related accounting treatment methods

☒ Applicable ☐ N/A

The scope of R&D expenditures in the Group incorporate salaries of R&D personnel, direct input expenses, depreciation and amortized expenses, other expenses, etc.

Based on nature of expenditures of internal R&D projects, as well as whether there is a significant uncertainty for intangible assets to be ultimately produced by R&D activities, the Group divides them into research stage expenditures and development stage expenditures. During the research phase, expenditures incurred are recorded into current profit or loss. For expenditures incurred during the development stage, they shall be capitalized when following conditions are met simultaneously: the Group deems that it is technically feasible to successfully produce intangible assets, and can use or sell them; the Group has the intention to successfully produce intangible assets, and use or sell it; intangible assets are expected to bring economic benefits to the Group; the Group has sufficient technical, financial, and other resources to support the development of the intangible asset, and has the ability to use or sell such intangible assets; expenditures belonging to the development stage of intangible assets can be reliably measured. Expenditures incurred during the development phase that do not meet the capitalization standards shall be recorded into current profit or loss. Typically, the Group capitalizes the expenditures incurred during the development phase of a R&D project, provided that the Group has completed the theoretical and applied research of the project, conducted process experiment simulations, and initially verified that the relevant plan can effectively improve production efficiency and enhance product functions and performance, and that the technical feasibility of completing the aforementioned development has been established.

27. Impairment of long-term assets

☒ Applicable ☐ N/A

On each balance sheet date, the Group shall check long-term equity investments, investment properties measured by a cost model, fixed assets, construction work in process, right-of-use assets, intangible assets with a limited service life, operating lease assets, and other items. When there are signs of impairment, the Group shall carry out impairment tests. Impairment tests shall be conducted at the end of each year for goodwill, intangible assets with an uncertain service life, and development expenditures of those that have not yet reached the predetermined usable state, regardless whether or not there are signs of impairment.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

27. Impairment of long-term assets *(Continued)*

(1) Impairment of non-current assets except financial assets and goodwill

When the Group conducts an impairment test, the recoverable amount is the higher of the fair value of the asset less costs of disposal and the present value of the estimated future cash flow expected to be derived from the asset. After impairment testing, if the asset's carrying amount exceeds its recoverable amount, the difference is recognized as an impairment loss.

The Group estimates the recoverable amount based on a single asset. If it is difficult to estimate the recoverable amount of a single asset, the recoverable amount of an asset shall be determined based on the group to which such asset belongs. The identification of an asset group is based on whether or not main cash inflow engendered by the asset group is independent from cash inflow of other assets or other asset groups.

The net amount of fair value less disposal expenses is determined by referring to the sales agreement price or observable market price of similar assets in an orderly transaction occurring on the measurement date, less the incremental costs directly attributable to the disposal of the asset. When estimating the present value of future cash flows, management estimates the future cash flows from the asset during its continuing use and upon its eventual disposal and select an appropriate discount rate to determine the present value of future cash flows.

(2) Impairment of goodwill

Goodwill generated in business combination shall be allotted to relevant asset groups, by a reasonable method from the date of purchase. If it is difficult to allot them to relevant asset groups, they shall be allotted to relevant asset portfolios. When conducting impairment tests on asset groups or asset portfolios that incorporate goodwill, if there are signs of impairment in asset groups or asset portfolios related to goodwill, impairment tests should be conducted first on asset groups or asset portfolios that do not incorporate goodwill. Recoverable amount should be calculated, and shall be compared with relevant book value, so as to confirm corresponding impairment loss; further impairment tests shall be conducted on asset groups or asset portfolios that incorporate goodwill, book value and recoverable amount shall be compared, if the recoverable amount is lower than the book value, then impairment loss shall be first offset against the book value of goodwill allotted to the asset groups or asset portfolios. Then, based on the proportion of the book value of assets other than goodwill in the asset group or asset portfolios, the book value of other assets shall be offset proportionally.

Once the impairment loss of the above-mentioned assets is recognized, it shall not be reversed in future accounting periods.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

28. Long-term deferred expenses

☒ Applicable ☐ N/A

The long-term deferred expenses of the Group include expenses such as highway outside the mining area, environmental governance fees, expenditures for improvements to fixed assets and special maintenance funds, which have already been paid by the Group but shall be allotted between current and future periods over one year. These expenses are amortized evenly over the benefit period. If the long-term deferred expense item cannot benefit future accounting periods, the amortized value of the item that has not been amortized will be fully transferred to the current profit or loss.

29. Contractual liabilities

☒ Applicable ☐ N/A

Contract liabilities reflect the obligation of the Group to transfer goods to customers due to the consideration received or receivable by the Group. Contract assets and contract liabilities under the same contract are presented at net amount.

30. Employee salaries

(1). Accounting treatment method of the short-term compensation

☒ Applicable ☐ N/A

Employee salaries of the Group include short-term compensation, post-employment benefits, termination benefits and other long-term benefits.

Short-term compensation primarily includes employee salaries, bonuses, allowances, subsidies, employee benefit expenses, housing provident fund contributions, trade union funds, employee education funds, medical insurance, work-related injury insurance, maternity insurance, short-term paid absences, and short-term profit-sharing plans. The Group shall recognize the short-term compensation actually incurred as liability and include it in the current profit or loss or related asset cost during the accounting period when employees provide services.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

30. Employee salaries *(Continued)*

(2). Accounting treatment method of the post-employment benefits

☒ Applicable ☐ N/A

Post-employment benefits mainly include basic pension insurance, enterprise annuities, etc., which shall be classified into defined contribution plan and defined benefit plan according to risk and obligation assumed by the Company. For the services provided by the employees in the accounting period on the balance sheet date, in the defined contribution plan, contribution paid to individual shall be recognized as liabilities and included in current profit or loss or related asset cost according to the benefit object. Defined benefit plan refers to the post-employment benefit plan other than the defined contribution plan.

(3). Accounting treatment method of termination benefits

☒ Applicable ☐ N/A

Termination benefits refers to compensation provided to employees for terminating the labor relationship with employees before the expiration of the labor contract between the Group and the employee, or for encouraging the employees to voluntarily accept the lay-off. When the Group cannot unilaterally withdraw the termination benefits provided due to the labor relationship termination plan or the redundancy offer, or when the costs or expenses related to reorganization concerning the termination benefit payment are recognized (whichever is earlier), the liabilities of the employee compensation arising from termination benefits shall be recognized and included in current profit or loss.

(4). Accounting treatment of other long-term employee benefits

☒ Applicable ☐ N/A

Other long-term employee benefits refer to the employee compensation except for short-term compensation, post-employment benefits and termination benefits, including long-term compensated absences, long-term disability benefits, long-term profit sharing plan, etc.

Other long-term employee benefits provided by the Group to employees that meet the conditions of defined contribution plan, the accounting shall be treated in accordance with the relevant provisions for defined contribution plan as mentioned above. Otherwise, the Group recognizes and measures the net liability or net asset for other long-term employee benefits in accordance with the relevant provisions for defined benefit plan as described above.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

31. Estimated liabilities

☒ Applicable ☐ N/A

When the businesses related to contingencies including pending litigation or arbitration and product quality assurance conform to the following conditions simultaneously, the Group recognizes them as liabilities: the obligation is a present obligation of the Group; it is probable that an outflow of economic benefits from the Group will result from the settlement of the obligation; and the amount for such obligation can be measured reliably.

The estimated liabilities are initially measured at the best estimate of the expenditure required to settle the related present obligation. Factors surrounding a contingency, such as the risks, uncertainties and the time value of money, are taken into account as a whole in reaching the best estimate of the estimated liabilities. The Group reviews the current best estimate and adjusts the book value of the estimated liabilities at the balance sheet date.

Contingent liabilities of the acquiree acquired in a business combination not under common control are measured at fair value on initial recognition and subsequently measured at the higher of the amount to be recognized for the estimated liabilities and the amount initially recognized less accumulated amortization determined in accordance with the revenue recognition principle.

32. Share-based payments

☒ Applicable ☐ N/A

Share-based payments settled by equity in exchange for provision of services from employees are measured at fair value of the equity instruments granted to employees as at the date of grant. If the rights can be exercised immediately after they are granted, fair value of equity instruments on the grant date shall be recorded into relevant costs or expenses, and the capital reserve shall be increased correspondingly. If the rights can be exercised only after service in the waiting period is completed or stipulated goals are achieved, on each balance sheet date in the waiting period, based on the best estimate of number of equity instruments with viable rights, according to fair value of equity instruments on the grant date, service obtained in the period shall be recorded into relevant costs or expenditures and capital reserve. If clause that share-based payments shall be settled by equity is modified, service obtained shall be recognized according to unchanged clause. What's more, if the fair value of equity instruments is modified, or those changes can benefit employees on the date of modification, it shall be deemed that service obtained is increased.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

32. Share-based payments *(Continued)*

If share-based payments settled by equity are canceled, it shall be treated as accelerated exercise of rights on the cancellation date, and the unrecognized amount will be immediately recognized. If employees or other parties meet condition of viable rights, but they do not achieve goals in the waiting period, it shall be treated that share-based payments settled by equity are canceled. However, if a new equity instrument is granted, and it is determined on the grant date that the new equity instrument is intended to replace the canceled equity instrument, the replacement of equity instrument granted shall be treated in the same manner as the modification of the terms and conditions of the original equity instrument.

For share-based payments settle by cash, they shall be measured by fair value of liabilities, which are borne by the Group and are confirmed based on share or other equity instruments. If the rights can be immediately exercised immediately after they are granted, the fair value of the liability assumed on the grant date shall be recorded into relevant costs or expenses, and the liability shall be increased correspondingly. If the rights can be exercised only after service in the waiting period is completed or stipulated goals are achieved, on each balance sheet date in the waiting period, based on the best estimate of viable rights situation, the services obtained in current period shall be recorded into costs or expenses, according to fair value of liabilities borne by the Group, and such liabilities shall be adjusted accordingly. On each balance sheet date and settlement date prior to settlement of relevant liabilities, fair value of liabilities shall be remeasured, and any changes shall be recorded in current profit or loss.

33. Preferred shares, perpetual bond and other financial instruments

☒ Applicable ☐ N/A

Any preferred share or perpetual bond classified as debt instrument is measured initially at fair value after deduction of the transaction cost, and subsequently at amortized cost using the effective interest method. Its interest expense or dividend distribution is accounted as borrowing cost, and its profit or loss on repurchase or redemption shall be recognized as profit or loss of the current period.

For any preferred share or perpetual bond classified as equity instrument, the consideration received upon its issuance is, after deduction of the transaction cost, added to the owner's equity. Its interest expense or dividend distribution is accounted as profit distribution, and its repurchase or cancellation shall be accounted as change in equity.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

34. Revenue

(1). Disclosure of accounting policies for revenue recognition and measurement by business type

✓ Applicable ☐ N/A

(1) *General principles*

The Group recognises revenue when a performance obligation in the contract is fulfilled, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customers. Acquiring control over relevant goods or services means to be able to dominate the use of such goods or the provision of such services and obtain almost all economic benefits from them.

A performance obligation is a contractual commitment by the Group to transfer clearly distinguishable goods to a customer. The Group’s performance obligations are fulfilled within a certain period of time if one of the following conditions is met; otherwise, they are fulfilled at a certain point in time: ① the customer acquires and consumes the economic benefits arising from the Group’s performance at the same time as the Group’s performance; ② the customer can control the goods that are under progress in the course of the Group’s performance; ③ the goods that are produced in the course of the Group’s performance have irreplaceable usages and the Group is entitled to receive payment for the cumulative portion of performance completed to date throughout the contract period.

The Group recognises the revenue on the basis of the progress of performance of a contractual obligation that is to be performed within a certain period of time. When the progress of performance is not reasonably certain, the Group recognises the revenue at the amount of costs incurred until such time as the progress of performance is reasonably certain, provided that the costs incurred are expected to be reimbursed.

For performance obligations fulfilled at a point in time, the Group recognises revenue at the point in time when the customer obtains control of the relevant goods. In determining whether the customer has obtained control of the goods, the Group takes into account the following indications: ① the Group has a present right to receive payment for the goods, i.e. the customer has a present obligation to pay for the goods; ② the Group has transferred the legal ownership of the goods to the customer, i.e. the customer has legal ownership to the goods; ③ the Group has physically transferred the goods to the customer, i.e. the customer has physical possession of the goods; ④ the Group has transferred to the customer the principal risks and rewards of ownership of the goods, i.e. the customer has acquired the principal risks and rewards of ownership of the goods; ⑤ the customer has accepted the goods; and ⑥ other indications that the customer has acquired control of the goods.

When a contract has two or more performance obligations, the Group allocates the transaction price to each one based on the relative standalone selling prices of the promised goods or services on the commencement date of contract. Revenue is then recognized using this allocated transaction price for each obligation.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

34. Revenue *(Continued)*

(1). Disclosure of accounting policies for revenue recognition and measurement by business type *(Continued)*

(1) General principles *(Continued)*

The transaction price is the amount of consideration that the Group is expected to be entitled to receive due to the transfer of goods or services to customers, excluding payments received on behalf of third parties and amounts expected to be refunded to the customer. In determining the transaction price, the Group considers the impact of variable consideration, the existence of significant financing elements in the contract and other factors.

In case of the existence of variable consideration in the contract, the Group shall determine the best estimates of the variable consideration based on the expected value or the most probably incurred amount. The transaction price including variable consideration shall not exceed the amount of the cumulatively recognised revenue which is unlikely to be significantly reversed when relevant uncertainty is eliminated. At each balance sheet, the Group re-estimates the amount of variable consideration which should be recognised in transaction price.

Where there is a significant financing component in the contract, the Group shall determine the transaction price on the basis of the amount payable in cash when the customer assumes control of the goods. The difference between such transaction price and contract consideration is amortised over the contract period using the effective interest rate method based on a ratio that discounts the nominal contractual consideration to the current selling price of the products. The Group shall not take into account the existence of a significant financing component in the contract if the Group expects, at contract inception, that the period between when the customer acquires control of a promised good or service and when the customer pays for that good or service will be one year or less.

The Group determines whether its identity at the time of performing a transaction is a principal or an agent based on whether it has control over the goods prior to transferring the goods to the customer. If the Group is able to control the goods before transferring them to the customer, the Group is a principal and recognizes revenue based on the total amount of consideration received or receivable; otherwise, the Group, as an agent, recognizes revenue based on the amount of commissions or handling fees to which it is expected to be entitled, which shall be determined based on either the net amount of the total consideration received or receivable less the price payable to other related parties or the established commission amount or proportion.

In connection with sales with a return clause, revenue is recognised according to the amount of consideration it expects to be entitled to for the transfer to a customer when the customer acquires control of the relevant goods. Amounts expected to be refunded for the return of sales are recognised as estimated liabilities. At the same time, the balance of the carrying value of the product expected to be returned upon transfer less expected costs for the recall of such product (including impairment loss of the recalled product) shall be recognised as an asset (i.e. cost of return receivables), and the net amount of the carrying value of the transferred product upon the transfer less the aforesaid asset cost shall be transferred to cost. At each balance sheet date, the Group reassess the future return of sales and remeasured the above assets and liabilities.

Based on contractual agreements, legal and other provisions, the Group provides quality assurance for goods sold, which is a guarantee-type quality assurance to assure customers that the goods sold meet the established standards, and the Group accounts for it in accordance with estimated liabilities.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

34. Revenue *(Continued)*

(1). Disclosure of accounting policies for revenue recognition and measurement by business type *(Continued)*

(2) *Specific methods*

The revenue of the Group mainly includes revenue from sale of goods and trading revenue.

① Revenue from sale of goods

The Group is engaged in the mining, beneficiation, smelting, processing and sales of standard gold ingots, composite gold, lead concentrate (containing silver) and zinc concentrate. The Company is the member of the Shanghai Gold Exchange. Standard gold ingots are sold through the Shanghai Gold Exchange's centralized trading system. The selling price of composite gold is determined with reference to the Shanghai Gold Exchange prices, while the selling prices of other products are based on publicly available quotation platforms such as the Shanghai Nonferrous Metals Network and settled according to domestic industry pricing practices. The Group recognizes revenue from sales of goods upon dispatch of products and confirmation of receipt by customers.

The Group sells products such as composite gold, lead concentrate (containing silver), and zinc concentrate using a price-point pricing method. The sales revenue is recognized when the relevant products are delivered and the control is transferred to the customer. After recognizing the sales revenue, the Group designates changes in receivables arising from customer price-point settlement rights as financial assets measured at fair value through profit or loss. At the balance sheet date, the Group calculates the fair value of these financial assets based on publicly available quotations from platforms such as the Shanghai Gold Exchange and the Shanghai Nonferrous Metals Network, and recognizes gains or losses from changes of fair value. When customers exercise price-point settlement, the financial assets measured at fair value through profit or loss are adjusted based on the final settlement price, changes in receivables are recognized, and corresponding investment income is recorded.

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. The transaction price confirmed by the Group does not exceed the amount that is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The Group shall recognize a liability if the Group expects to refund some or all of the consideration to the customer and does not include it in the transaction price. Where there is a significant financing component in the contract, the Group shall determine the transaction price on the basis of the amount payable in cash when the customer assumes control of the goods or services. The difference between the transaction price and the contract consideration shall be amortized by the effective interest rate method during the contract period. The Group shall not take into account the existence of a significant financing component in the contract if the Group expects, at contract inception, that the period between when the customer acquires control of a promised good or service and when the customer pays for that good or service will be one year or less.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

34. Revenue *(Continued)*

(1). Disclosure of accounting policies for revenue recognition and measurement by business type *(Continued)*

(2) *Specific methods (Continued)*

② Revenue from trading activities

The specific commodities involved in the trade business operated by the Group include non-ferrous metal products.

The Group's aforementioned trading activities involve the participation of third parties. If the Group obtains control of goods from third parties and subsequently transfers them to customers, during the transaction process, the Group assumes the primary responsibility for transferring the goods to customers, bears inventory risks, and has the authority to autonomously determine the prices of the goods traded, the Group acts as the principal in the transaction, and recognizes trade revenue based on the total consideration it expects to be entitled to receive as stipulated in the contracts. Conversely, if the Group does not obtain control of the specific goods, or does not assume price fluctuation risk and inventory risk, the Group acts as an agent in the transaction. In such cases, trade revenue is recognized on a net basis, representing the amount of the consideration received or receivable after deducting the amount payable to the other involved parties.

(2). The adoption of different business models for the same type of business involves different revenue recognition and measurement methods

✓ Applicable ☐ N/A

When a contract has two or more performance obligations, the Group allocates the transaction price to each one based on the relative standalone selling prices of the promised goods or services on the commencement date of contract. Revenue is then recognized using this allocated transaction price for each obligation.

The transaction price is the amount of consideration that the Group is expected to be entitled to receive due to the transfer of goods or services to customers, excluding payments received on behalf of third parties and amounts expected to be refunded to the customer. In determining the transaction price, the Group considers the impact of variable consideration, the existence of significant financing elements in the contract and other factors.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

34. Revenue *(Continued)*

(2). The adoption of different business models for the same type of business involves different revenue recognition and measurement methods *(Continued)*

In case of the existence of variable consideration in the contract, the Group shall determine the best estimates of the variable consideration based on the expected value or the most probably incurred amount. The transaction price including variable consideration shall not exceed the amount of the cumulatively recognised revenue which is unlikely to be significantly reversed when relevant uncertainty is eliminated. At each balance sheet, the Group re-estimates the amount of variable consideration which should be recognised in transaction price.

Where there is a significant financing component in the contract, the Group shall determine the transaction price on the basis of the amount payable in cash when the customer assumes control of the goods. The difference between such transaction price and contract consideration is amortised over the contract period using the effective interest rate method based on a ratio that discounts the nominal contractual consideration to the current selling price of the products. The Group shall not take into account the existence of a significant financing component in the contract if the Group expects, at contract inception, that the period between when the customer acquires control of a promised good or service and when the customer pays for that good or service will be one year or less.

The Group determines whether its identity at the time of performing a transaction is a principal or an agent based on whether it has control over the goods prior to transferring the goods to the customer. If the Group is able to control the goods before transferring them to the customer, the Group is a principal and recognizes revenue based on the total amount of consideration received or receivable; otherwise, the Group, as an agent, recognizes revenue based on the amount of commissions or handling fees to which it is expected to be entitled, which shall be determined based on either the net amount of the total consideration received or receivable less the price payable to other related parties or the established commission amount or proportion.

In connection with sales with a return clause, revenue is recognised according to the amount of consideration it expects to be entitled to for the transfer to a customer when the customer acquires control of the relevant goods. Amounts expected to be refunded for the return of sales are recognised as estimated liabilities. At the same time, the balance of the carrying value of the product expected to be returned upon transfer less expected costs for the recall of such product (including impairment loss of the recalled product) shall be recognised as an asset (i.e. cost of return receivables), and the net amount of the carrying value of the transferred product upon the transfer less the aforesaid asset cost shall be transferred to cost. At each balance sheet date, the Group reassess the future return of sales and remeasured the above assets and liabilities.

Based on contractual agreements, legal and other provisions, the Group provides quality assurance for goods sold, which is a guarantee-type quality assurance to assure customers that the goods sold meet the established standards, and the Group accounts for it in accordance with estimated liabilities.

35. Contract costs

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

36. Government grants

✓ Applicable ☐ N/A

Government grants are recognized when the conditions attached to them can be met and they are receivable. Government grants that are monetary assets are measured based on the actual amounts received. For government grants with the subsidies paid according to fixed quota standards, or when concrete evidence shows that relevant conditions specified in fiscal support policies can be met and the fiscal support funds can be received based on estimates at the end of the period, the government grants shall be measured based on the receivable amounts. Government grants that are non-monetary assets are measured based on their fair value; if the fair value cannot be estimated reliably, it will be measured based on the nominal amount (RMB1).

The Group's government grants include asset-related and income-related government grants. In particular, asset-related government grants refer to those obtained by the Group and used for the acquisition or construction of long-term assets or the obtainment of such assets by other means. Income-related government grants refer to those other than asset-related government grants. If no assistance object is specified in the government documents, the Group will make a judgment based on the above principles. If it is difficult to distinguish, it is integrally classified as income-related government grants.

Asset-related government grants are recognized as deferred income. Asset-related government grants recognized as deferred income will be included in current profit or loss in a reasonable and systematic manner within the useful life of the relevant assets. For relevant assets that are sold, transferred, discarded, or damaged before the end of their useful lives, the relevant unallocated deferred income is transferred into the profit or loss of the current period when the assets are disposed of.

Income-related government grants used to compensate for related costs or losses during future periods are recognized as deferred income and will be included in current profit or loss during the period when they are recognized. Government grants related to daily activities are included in other income or set off against relevant costs according to the nature of the economic activities. Government grants unrelated to daily activities are included in non-operating revenue.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

37. Deferred income tax assets/deferred income tax liabilities

✓ Applicable ☐ N/A

Deferred income tax assets and deferred income tax liabilities of the Group are recognized by calculating the difference between the tax base and the carrying amount thereof, as well as the difference between the tax bases of items that are not recognized as assets and liabilities but whose tax bases can be determined in accordance with tax laws and the carrying amount (temporary differences).

The Group recognizes deferred income tax liabilities for all taxable temporary differences except for the following situations: (1) the temporary difference arising from the initial recognition of goodwill, or the initial recognition of assets or liabilities due to a transaction other than a business combination, which affects neither accounting profit nor taxable profit (or deductible loss); (2) taxable temporary differences related to investments in subsidiaries, associates and joint ventures, where the Group is able to control the timing of reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future.

The Group recognizes deferred income tax assets for deductible temporary differences, deductible losses and tax credits to the extent that it is probable that future taxable profit will be available in the future against which the deductible temporary differences, deductible losses and tax credits can be utilized, except for the following circumstances: (1) the temporary difference arising from the initial recognition of assets or liabilities due to a transaction other than a business combination, which affects neither accounting profit nor taxable profit (or deductible loss); (2) when it is probable that the deductible temporary differences arising from investments in subsidiaries, associates and joint ventures cannot meet the following conditions at the same time: temporary differences will be reversed in the foreseeable future and the deductible taxable profit will be available in the future against which the temporary differences can be utilized.

Deferred income tax assets are recognized for all unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized. Significant judgment is required to estimate the amount and timing of future taxable profit so as to determine, together with the tax planning strategies, the amount of deferred income tax assets to be recognized, therefore there is uncertainty.

Deferred income tax assets and deferred income tax liabilities are measured at the applicable tax rate during the anticipated period for withdrawing such assets or during the period for paying off such liabilities on the balance sheet date.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

38. Leases

✓ Applicable ☐ N/A

Judgment basis and accounting treatment of short-term leases and leases of low-value assets as a simplified treatment for lessees

✓ Applicable ☐ N/A

The Group as lessee

1) Lease recognition

Except for short-term leases and leases of low-value assets, on the beginning date of the lease term, the Group recognizes the right-of-use asset and the lease liability of the lease.

The right-of-use asset refers to the Group's right as a lessee to use the leased assets during the lease term, and is initially measured at cost. The cost comprises: ① the initial measurement of the lease liability; ② the lease payments made on or before the commencement date of the lease, less the amount of lease incentives received; ③ any initial direct costs incurred, and ④ an estimate of costs to dismantle and remove the leased asset or to restore the site where the leased asset is located or restore the leased asset to its agreed condition under the terms of the leases (except those incurred for the production of inventory). If the Group remeasures lease liabilities in accordance with the relevant provisions of the lease standards, the carrying amount of the right-of-use assets will be adjusted accordingly.

The Group depreciates right-of-use assets on a straight-line basis based on the expected consumption pattern of the economic benefits related to the right-of-use assets. If it can reasonably be determined that the ownership of the leased asset can be acquired at the expiration of the lease term, the leased asset shall be depreciated within its remaining useful life. If the lessee cannot reasonably determine that the ownership of the leased asset can be acquired at the expiration of the lease term, the leased asset shall be depreciated within the lease term or its remaining useful life (whichever is shorter). The depreciation amount accrued shall be included in the cost of the relevant assets or the current profit or loss, according to the purpose of the right-of-use assets.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

38. Leases *(Continued)*

Judgment basis and accounting treatment of short-term leases and leases of low-value assets as a simplified treatment for lessees *(Continued)*

The Group as lessee (Continued)

1) Lease recognition *(Continued)*

The Group initially measures lease liabilities based on the present value of the unpaid lease payments at the commencement date of the lease term. Lease payments include: ① fixed payments and substantive fixed payments, net of lease incentive-related amounts; ② variable lease payments that depend on an index or ratio; ③ the exercise price of the purchase option when the Group reasonably determines that it will exercise the purchase option; ④ the lease term reflects the amount required to be paid when the Group exercises the option to terminate the lease; ⑤ the amount expected to be paid based on the residual value of the guarantee provided by the Group.

When calculating the present value of lease payments, the Group uses the interest rate implicit in the lease as the discount rate. If the interest rate implicit in the lease cannot be determined, the incremental borrowing rate shall then be used by the Group as the discount rate. The Group calculates the interest expense of the lease liability for each period of the lease term according to a fixed periodic interest rate, and it is included in the current profit or loss, except for those that should be capitalized.

After the commencement of the lease term, when the Group recognizes the interest on the lease liability, it increases the carrying amount of the lease liability; when it pays the lease payment, it reduces the carrying amount of the lease liability. When the actual fixed payment amount changes, the estimated amount payable of the guaranteed residual value changes, the index or ratio used to determine the lease payment changes, the evaluation results or actual exercise of the purchase option, lease renewal option or termination option changes, the Group remeasures the lease liability based on the present value of the changed lease payments.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

38. Leases *(Continued)*

Judgment basis and accounting treatment of short-term leases and leases of low-value assets as a simplified treatment for lessees *(Continued)*

The Group as lessee (Continued)

2) Changes in leases

Changes in leases refer to the changes in the lease scope, lease consideration and lease term other than the original contract terms, including the addition or termination of the right-of-use of one or more leased assets, and the extension or shortening of the lease term stipulated in the contract. The effective date of the lease change refers to the date both parties agreed on a lease change.

If a lease change happens and meets the following conditions, the Group will conduct accounting treatment for the lease change as a separate lease: ① the lease change expands the lease scope or extends the lease term by increasing the right-of-use of one or more leased assets; ② the increased consideration and the individual price of the expanded part of the lease scope or the extended part of the lease term are equivalent after adjustment is made in accordance with situation of the contract.

If accounting treatment for the lease change as a separate lease is not conducted, on the effective date, the Group shall apportion the consideration of the changed contract in accordance with the relevant provisions of the lease standards, and re-determine the lease term after the change; and discount the modified lease payments using the revised discount rate, in order to remeasure the lease liabilities. When calculating the present value of the lease payments after modification, the Group adopts the interest rate implicit in the lease for the remaining lease periods as the discount rate; if the lease interest rate implicit in the lease for the remaining lease term cannot be readily determined, the lessee's incremental borrowing rate shall then be used by the Group as the discount rate on the effective date of modification of the lease. In view of the consequences of the above adjustment of the lease liabilities, the Group conducts accounting treatment in each of the following cases accordingly: ① if the lease change results in a narrower lease scope or a shorter lease term, the lessee shall reduce the carrying amount of the right-of-use assets, and recognize the gain or loss relevant to the partial or complete termination of the lease in profit or loss for the current period; ② for other modification of lease that may lead to remeasurement of lease liabilities, the lessee adjusts the carrying amount of the right-of-use assets accordingly.

3) Short-term leases and leases of low-value assets

For short-term leases with lease terms of no more than 12 months and leases of low-value assets where the individual leased asset is of low value when it is brand-new asset, the Group chooses not to recognize right-of-use assets and lease liabilities. The Group shall recognize lease payments for short-term leases and leases of low-value assets in relevant asset costs or current profit or loss in each period of the lease term using the straight-line method or other systematic and reasonable methods.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

38. Leases *(Continued)*

Classification criteria and accounting method of leases as a lessor

✓ Applicable ☐ N/A

The Group as lessor

As a lessor, if a lease has essentially transferred substantially all the risks and rewards associated with the ownership of the leased assets, the Group shall classify the lease as financing lease, and other kinds of lease shall be classified as operating lease.

1) Financing lease

At the commencement date of the lease term, the Group recognizes receivable financing lease payments for financing lease, and derecognizes the financing lease assets. When the Group initially measures receivable financing lease payments, net lease investment shall be used as the book value of the receivable financing lease payments.

The net lease investment is the sum of the unguaranteed residual value and the present value of the receivable lease payments not yet received at the commencement date of the lease term discounted at the interest rate implicit in the lease. The Group calculates and recognizes the interest income in each period of the lease term at a fixed periodic interest rate. The variable lease payments obtained by the Group that are not included in the measurement of the net lease investment shall be recognized in current profit or loss when they actually occur.

2) Operating lease

The Group recognizes receivable lease payments from operating leases as rental income using the straight-line method in each period of the lease term.

The initial direct expenses related to operating leases incurred by the Group shall be capitalized into the cost of the underlying leased assets and recognized in current profit or loss over the lease terms in installments on the same recognition basis as rental income. The variable lease payments related to operating leases obtained by the Group that are not included in the receivable lease payments shall be recognized in current profit or loss when they actually occur.

If there is a change in the operating lease, the Group accounts for it as a new lease commencing from the effective date of the change, and the advance or receivable lease payments related to the lease before the change shall be regarded as the receivables of the new lease.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

39. Other significant accounting policies and accounting estimates

✓ Applicable ☐ N/A

(1) Hedging business

In respect of the methods of hedge accounting, the Company's hedging is classified as fair value hedge, that is, a hedge of the exposure to changes in fair value of a recognized asset or liability.

At the inception of a hedging relationship, the Company formally designates the hedging relationship and prepares formal written documents regarding the hedging relationship, risk management objectives and risk management strategies. The documents specify the hedging instruments, the hedged items, the nature of the hedged risks and the Company's assessment methods for hedging effectiveness. Hedging effectiveness refers to the extent to which the changes in fair value or cash flows of the hedging instruments can offset changes in the fair value or cash flows of the hedged items caused by the hedged risks. Such hedges are assessed on an ongoing basis to meet the hedging effectiveness requirements at the initial designation date and in subsequent periods.

If the hedging instrument expires or is sold, terminated in accordance with contracts or exercised (but the rollover or replacement as part of the hedging strategy is not treated as expiration or termination in accordance with contracts), or the hedging relationship no longer meets the risk management objective due to changes in the risk management objective, or the hedge no longer meets other conditions of the hedge accounting method, the Company terminates the use of hedge accounting.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

39. Other significant accounting policies and accounting estimates *(Continued)*

(2) Safety production fee

The safety production fee set aside by the metal mine enterprises under the Group in accordance with national regulations is included in the cost of related products or current profit or loss, and is also recorded in the “special reserve” item. When using the set aside safety production fee, if it is an expensed expenditure, it shall be directly offset against the special reserve. If it forms a fixed asset, the expenditures incurred are collected under the “construction in progress” item, and it is recognized as a fixed asset when the safety project is completed and reaches the intended usable state; at the same time, the cost of forming the fixed asset is offset against the special reserve, and the accumulated depreciation of the same amount is recognized. The fixed assets will not be depreciated in the subsequent periods.

The Company's provision standard for special reserve is: RMB5/ton for open-pit mines, RMB10/ton or RMB15/ton for underground mines, and RMB1-5/ton for tailings safety production fees.

(3) General risk reserve

In accordance with the provisions of the Financial Rules for Financial Enterprises (《金融企業財務規則》) and its implementation guidelines issued by the Ministry of Finance, the general risk reserve is extracted at 10% of the current year's after-tax profits of futures companies; at the same time, in accordance with the relevant provisions of the Administrative Measures for Futures Companies (《期貨公司監督管理辦法》) (CSRC Order No. 43) and the Interim Provisions on the Financial Management of Commodity Futures Trading (《商品期貨交易財務管理暫行規定》) (Cai Shang Zi [1997] No. 44), the risk reserve of futures companies is extracted at 5% of the net income from the transaction handling fee income received by them minus the handling fees payable to the futures exchanges and is included in the current profit or loss. When the extracted risk reserve reaches an amount equal to 10 times the Company's registered capital, no further extraction is made.

SECTION 8 FINANCIAL REPORT

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(Continued)*

40. Changes in important accounting policies and accounting estimates

(1). Changes in important accounting policies

☐ Applicable ☒ N/A

(2). Changes in important accounting estimates

☐ Applicable ☒ N/A

(3). Adjustments to the financial statements at the beginning of the year for the first implementation due to the first implementation of the new accounting standards or interpretation of standards since 2025

☐ Applicable ☒ N/A

41. Others

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VI. TAXATION

1. Main types of taxes and corresponding rates

Main types of taxes and corresponding rates

✓ Applicable ☐ N/A

Tax type	Tax base	Tax rate
Value-added tax	Taxable income	3%, 5%, 6%, 9%, 13%
Consumption tax	Revenue from sales of precious metals	5%
Business tax		
Urban maintenance and construction tax	Turnover tax payable	1%, 5%, 7%
Enterprise income tax	Taxable income	15%, 20%, 25%
Resource tax	Revenue from sales of mineral products	5%, 4.5%, 4.2%, 4%, 3% for gold; 5%, 3%, 2.5% for silver; 6% for lead and zinc; 5%, 3%, 2% for waste ores
Education surcharge	Turnover tax payable	3%
Local education surcharge	Turnover tax payable	2%, 1%

Note: The resource tax for subsidiaries in Shandong Province is paid at 4.2% of the gold sales revenue, while other companies pay the resource tax according to the tax items and applicable rates determined by the provincial people's government of their location.

SECTION 8 FINANCIAL REPORT

VI. TAXATION (Continued)

1. Main types of taxes and corresponding rates (Continued)

Please make a disclosure if there are taxpayers with different enterprise income tax rates

✓ Applicable ☐ N/A

Name of taxpayer	Income tax rate (%)
The Company	15%
Shandong Gold Mining (Xinhui) Co., Ltd.* (山東黃金礦業(鑫匯)有限公司)	15%
Shandong Gold Mining (Yinan) Co., Ltd.* (山東黃金礦業(沂南)有限公司)	15%
Chifeng Chaihulanzi Gold Mining Co., Ltd.* (赤峰柴胡欄子黃金礦業有限公司)	15%
Shandong Gold Mining (Laixi) Co., Ltd.* (山東黃金礦業(萊西)有限公司)	15%
Xihe Zhongbao Mining Co., Ltd.* (西和縣中寶礦業有限公司)	15%
Fujian Zhenghe County Yuanxin Mining Co., Ltd.* (福建省政和縣源鑫礦業有限公司)	15%
Shandong Gold Guilaizhuang Mining Co., Ltd.* (山東黃金歸來莊礦業有限公司)	15%
Shandong Gold Mining Technology Co., Ltd.* (山東黃金礦業科技有限公司)	15%
SDG Heavy Industry Co., Ltd.* (山金重工有限公司)	15%
Xinjiang Jinchuan Mining Co., Ltd.* (新疆金川礦業有限公司)	15%
Inner Mongolia Yulong Mining Co., Ltd.* (內蒙古玉龍礦業股份有限公司)	15%
Jilin Banmiaozi Mining Co., Ltd.* (吉林板廟子礦業有限公司)	15%
Hainan Shengwei Trading Co., Ltd.* (海南盛蔚貿易有限公司)	15%
Shandong Jinshi Mining Co., Ltd.* (山東金石礦業有限公司)	20%
Tianshan Goldfield (Xinjiang) Investment Advisory Limited* (新疆天山金田投資諮詢有限公司)	20%
SDG International Capital Management Co., Ltd.* (山金國際資產管理有限公司)	20%
Shenzhen SD Gold Mining Precious Metal Co., Ltd.* (深圳市山金礦業貴金屬有限公司)	20%
Other taxpayers except those mentioned above	25%

SECTION 8 FINANCIAL REPORT

VI. TAXATION (Continued)

1. Main types of taxes and corresponding rates (Continued)

Please make a disclosure if there are taxpayers with different enterprise income tax rates (Continued)

Main types of taxes and tax rates thereof applicable to overseas subsidiaries of the Company are presented as follows:

Country or area	Type of tax	Tax base	Tax rate
Hong Kong	Enterprise income tax	Taxable income	16.50%
Argentina	Enterprise income tax	Taxable income	35%
Australia	Enterprise income tax	Taxable income	30%
Ghana	Enterprise income tax	Taxable income	35%
Singapore	Enterprise income tax	Taxable income	17%
Canada	Enterprise income tax	Taxable income	27%
Mauritius	Enterprise income tax	Taxable income	15%
Namibia	Enterprise income tax	Taxable income	32%, 37.50%

2. Tax incentives

☒ Applicable ☐ N/A

(1) Value-added tax

According to the Notice on Gold Tax Policy Issues (《關於黃金稅收政策問題的通知》) (Cai Shui [2002] No. 142) issued by the Ministry of Finance and the State Taxation Administration, the gold products produced by the Company are exempt from value-added tax. Member units of the Gold Exchange are exempted from value-added tax for selling standard gold through the Gold Exchange (holding the Gold Transaction Settlement Voucher (《黃金交易結算憑證》) issued by the Gold Exchange) without physical delivery; the value-added tax refund policy is implemented when physical delivery occurs, and urban maintenance and construction tax and education surcharges are exempted at the same time.

SECTION 8 FINANCIAL REPORT

VI. TAXATION (Continued)

2. Tax incentives (Continued)

(2) Enterprise income tax

Shandong Gold Mining Co., Ltd. has been recognized as a high-tech enterprise in accordance with the Notice on Announcing the List of High-Tech Enterprises in Shandong Province for 2024 issued by the Department of Science & Technology of Shandong Province, the Shandong Provincial Department of Finance and the Shandong Provincial Tax Service, enjoying a certificate with the certificate number of GR202437003705 and a validity period of three years, and shall calculate and pay the enterprise income tax at a rate of 15% for 2025.

Xihe Zhongbao Mining Co., Ltd. has been recognized as a high-tech enterprise in accordance with the Public Announcement on Filing the First Batch of High-Tech Enterprises Certified by Gansu Province's Certification Authority in 2024 issued by the National Leading Group Office for the Administration of the Recognition of High-Tech Enterprises, enjoying a certificate with the certificate number of GR202462000242 and a validity period of three years, and shall calculate and pay the enterprise income tax at a rate of 15% for 2025.

Fujian Zhenghe County Yuanxin Mining Co., Ltd. has been recognized as a high-tech enterprise in accordance with the Public Announcement on Filing the First Batch of High-Tech Enterprises Certified by Fujian Province's Certification Authority in 2024 issued by the National Leading Group Office for the Administration of the Recognition of High-Tech Enterprises, enjoying a certificate with the certificate number of GR202435000942 and a validity period of three years, and shall calculate and pay the enterprise income tax at a rate of 15% for 2025.

Shandong Gold Mining (Yinan) Co., Ltd. has been recognized as a high-tech enterprise in accordance with the Public Announcement on Filing the Third Batch of High-Tech Enterprises Certified by Shandong Province's Certification Authority in 2023 issued by the National Leading Group Office for the Administration of the Recognition of High-Tech Enterprises, enjoying a certificate with the certificate number of GR202337008752 and a validity period of three years, and shall calculate and pay the enterprise income tax at a rate of 15% for 2025.

Chifeng Chaihulanzi Gold Mining Co., Ltd. has been recognized as a high-tech enterprise in accordance with the List on Filing the First Batch of High-Tech Enterprises Certified by Inner Mongolia Autonomous Region's Certification Authority in 2022 issued by the National Leading Group Office for the Administration of the Recognition of High-Tech Enterprises, enjoying a certificate with the certificate number of GR202215000162 and a validity period of three years, and shall calculate and pay the enterprise income tax at a rate of 15% for 2025.

SECTION 8 FINANCIAL REPORT

VI. TAXATION (Continued)

2. Tax incentives (Continued)

(2) Enterprise income tax (Continued)

SDG Heavy Industry Co., Ltd. has been recognized as a high-tech enterprise in accordance with the Public Announcement on Filing the First Batch of High-Tech Enterprises Certified by Shandong Province's Certification Authority in 2022 issued by the National Leading Group Office for the Administration of the Recognition of High-Tech Enterprises, enjoying a certificate with the certificate number of GR202237006792 and a validity period of three years, and shall calculate and pay the enterprise income tax at a rate of 15% for 2025.

Shandong Gold Mining (Xinhui) Co., Ltd. passed the re-examination for high-tech enterprise certification on 14 December 2022, obtained the High-Tech Enterprise Approval Certificate issued by the Qingdao Municipal Bureau of Science and Technology, the Qingdao Municipal Bureau of Finance, and the Qingdao Tax Service of the State Taxation Administration, with the certificate number of GR202237101689 and a validity period of three years, and shall calculate and pay the enterprise income tax at a rate of 15% for 2025.

Shandong Gold Guilaizhuang Mining Co., Ltd. has been recognized as a high-tech enterprise in accordance with the Notice on the Public Announcement Regarding Filing the Second Batch of High-Tech Enterprises Certified by Shandong Province's Certification Authority in 2022 issued by the National Leading Group Office for the Administration of the Recognition of High-Tech Enterprises, enjoying a certificate with the certificate number of GR202237001354 and a validity period of three years, and shall calculate and pay the enterprise income tax at a rate of 15% for 2025.

Shandong Gold Mining Technology Co., Ltd. has been recognized as a high-tech enterprise in accordance with the Public Announcement on Filing the Third Batch of High-Tech Enterprises Certified by Shandong Province's Certification Authority in 2023 issued by the National Leading Group Office for the Administration of the Recognition of High-Tech Enterprises, enjoying a certificate with the certificate number of GR202337009161 and a validity period of three years, and shall calculate and pay the enterprise income tax at a rate of 15% for 2025.

Shandong Gold Mining (Laixi) Co., Ltd. has been recognized as a high-tech enterprise in accordance with the Public Announcement on Filing the First Batch of High-Tech Enterprises Certified by Qingdao Municipal Certification Authority in 2024 issued by the National Leading Group Office for the Administration of the Recognition of High-Tech Enterprises, enjoying a certificate with the certificate number of GR202437101234 and a validity period of three years, and shall calculate and pay the enterprise income tax at a rate of 15% for 2025.

Xinjiang Jinchuan Mining Co., Ltd. has been recognized as a high-tech enterprise in accordance with the Public Announcement on Filing the Third Batch of High-Tech Enterprises Certified by Xinjiang Uygur Autonomous Region's Certification Authority in 2024 issued by the National Leading Group Office for the Administration of the Recognition of High-Tech Enterprises, enjoying a certificate with the certificate number of GR202465000949 and a validity period of three years, and shall calculate and pay the enterprise income tax at a rate of 15% for 2025.

SECTION 8 FINANCIAL REPORT

VI. TAXATION (Continued)

2. Tax incentives (Continued)

(2) Enterprise income tax (Continued)

According to the provisions of the Notice on Tax Policy Issues Concerning the Deep Implementation of the Western Development Strategy (《關於深入實施西部大開發戰略有關稅收政策問題的通知》) (Cai Shui [2011] No. 58) jointly issued by the Ministry of Finance, the State Taxation Administration and the General Administration of Customs and the Announcement of the State Taxation Administration on Enterprise Income Tax Issues Concerning the Deep Implementation of the Western Development Strategy (《國家稅務總局關於深入實施西部大開發戰略有關企業所得稅問題的公告》) (Announcement No. 12 in 2012 from the State Taxation Administration) issued by the State Taxation Administration on 6 April 2012, Inner Mongolia Yulong Mining Co., Ltd. was subject to the enterprise income tax at a reduced rate of 15% during the Reporting Period.

Jilin Banmiaozi Mining Co., Ltd. was recognized as a high-tech enterprise in accordance with the High-Tech Enterprise Certificate (《高新技術企業證書》) jointly issued by the Jilin Provincial Department of Science and Technology, the Jilin Province Department of Finance and the Jilin Provincial Tax Service of the State Taxation Administration, with the certificate number of GR202322001167 and a validity certification period of three years, and calculated and paid the enterprise income tax at a rate of 15% for 2024.

According to the Circular on Preferential Enterprise Income Tax Policies for Hainan Free Trade Port (《關於海南自由貿易港企業所得稅優惠政策的通知》) (Cai Shui [2020] No. 31) jointly issued by the Ministry of Finance and the State Taxation Administration, Hainan Shengwei Trading Co., Ltd. which belongs to encouraged industrial enterprises registered in Hainan Free Trade Port with substantive operation will be subject to enterprise income tax at a reduced rate of 15%. In accordance with the Notice on Extending the Implementation of Preferential Enterprise Income Tax Policies in Hainan Free Trade Port (《關於延續實施海南自由貿易港企業所得稅優惠政策的通知》) (Cai Shui [2025] No. 3), the implementation period of the preferential tax policies has been extended to 31 December 2027.

According to the provisions of the Announcement of the Ministry of Finance and the State Taxation Administration on the Tax Policies for Further Supporting the Development of Small and Low-profit Enterprises and Individual Industrial and Commercial Households (《財政部稅務總局關於進一步支持小微企業和個體工商戶發展有關稅費政策的公告》) (Announcement No. 12 in 2023 from the Ministry of Finance and the State Taxation Administration), the policy for small and low-profit enterprises which calculate the taxable income at a reduced rate of 25% and subject to the enterprise income tax at the rate of 20% will continue to be implemented until 31 December 2027. Shandong Jinshi Mining Co., Ltd., Shenzhen SD Gold Mining Precious Metal Co., Ltd., Tianshan Goldfield (Xinjiang) Investment Advisory Limited and SDG International Capital Management Co., Ltd., subsidiaries of the Company, meet the criteria for small and low-profit enterprises and shall calculate and pay the enterprise income tax at a rate of 20% for 2025.

SECTION 8 FINANCIAL REPORT

VI. TAXATION (Continued)

2. Tax incentives (Continued)

(3) Resource tax

According to the Notice on Clarifying the Applicable Rates of Resource Tax in Our Province and Other Related Matters (《關於明確資源稅我省適用稅率等有關事項的通知》) (Min Cai Shui [2020] No. 14) jointly issued by the Fujian Provincial Department of Finance and the Fujian Provincial Tax Service of the State Taxation Administration, for the extraction of associated minerals, when the sales of associated minerals and the main mineral products are accounted for separately, a 30% reduction in the payable resource tax for associated minerals is applied. Fujian Zhenghe County Yuanxin Mining Co., Ltd., a subsidiary of the Company, enjoys the aforementioned preferential policy.

In accordance with the provisions of Item (4) under Paragraph 2 in Article 6 of the Resource Tax Law of the People's Republic of China (《中華人民共和國資源稅法》) (Order of the President of the People's Republic of China (No. 33)), which stipulates a reduced resource tax for mineral products mined from depleted mines, Shandong Gold Guilaizhuang Mining Co., Ltd., a subsidiary of the Company, enjoys the aforementioned preferential policy.

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

According to the Specific Measures for Reduction and Exemption of Resource Tax in Jilin Province under Specific Circumstances (《吉林省資源稅特定情形減免具體辦法》) jointly issued by the Jilin Province Department of Finance, the Jilin Provincial Tax Service of the State Taxation Administration and the Jilin Provincial Department of Natural Resources, where an enterprise mines co-associated ore and the sales of co-associated ore and main mineral products are accounted for separately, the resource tax shall be reduced by 50% of the tax payable on the silver of co-associated ore. Jilin Banmiaozi Mining Co., Ltd., a subsidiary of the Company, enjoys the aforementioned preferential policy.

According to the Decision of the Standing Committee of the People's Congress of Heilongjiang Province on the Implementation of Authorized Matters of the Resource Tax Law (《黑龍江省人民代表大會常務委員會關於實施資源稅法授權事項的決定》) issued by the Standing Committee of the People's Congress of Heilongjiang Province, the resource tax shall be levied by taxpayers on the exploitation of co-associated ore and low-grade ore at a reduced rate of 50%, and the resource tax shall be exempted from the exploitation of tailings. Heihe Luoke Kuangye Kaifa Ltd., a subsidiary of the Company, enjoys the aforementioned preferential policy.

According to the Implementation Plan of Resource Tax Item Tax Rate and Preferential Policy of Qinghai Province (《青海省資源稅稅目稅率及優惠政策實施方案》) jointly issued by the Department of Finance of Qinghai Province and the Qinghai Provincial Tax Service of the State Taxation Administration, where taxpayers mine and sell associated mineral products, the sales of associated mineral products and main mineral products are accounted for separately, and the sales of associated mineral products account for less than 20% (excluding) of the total sales of taxable mineral products in the current period, the resource tax shall be reduced by 50%. Qinghai Dachaidan Mining Co., Ltd., a subsidiary of the Company, enjoys the aforementioned preferential policy.

SECTION 8 FINANCIAL REPORT

VI. TAXATION (Continued)

2. Tax incentives (Continued)

(4) Other taxes

According to the Relief Policy of “Six Taxes and Two Fees” for Small and Low-profit Enterprises 《小微企业「六税两费」减免政策》 issued by the State Taxation Administration, which was effective from 1 January 2022 to 31 December 2024, continued to be implemented in 2025, and extended until 31 December 2027, the people’s governments of provinces, autonomous regions and municipalities directly under the Central Government shall determine, in accordance with their practical conditions in their respective regions and the needs of macroeconomic control, that small-scale value-added tax taxpayers, small and low-profit enterprises, and individual industrial and commercial households shall be entitled to a 50% reduction in the tax amount of resource tax, urban maintenance and construction tax, property tax, urban land use tax, stamp duty (excluding stamp duty on securities transactions), arable land occupation tax and education surcharge and local education surcharge. Shandong Jinshi Mining Co., Ltd., Shenzhen SD Gold Mining Precious Metal Co., Ltd., Tianshan Goldfield (Xinjiang) Investment Advisory Limited and SDG International Capital Management Co., Ltd., subsidiaries of the Company, enjoy such preferential tax policy.

3. Others

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Monetary funds

✓ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Cash on hand	687,008.40	519,395.98
Bank deposits	5,196,864,603.99	2,957,174,388.04
Other monetary funds	4,466,474,478.28	4,845,782,979.06
Deposits with finance companies	2,858,660,306.42	3,273,798,143.27
Total	12,522,686,397.09	11,077,274,906.35
Including: Total amount deposited overseas	1,547,574,209.91	811,046,996.35

Other explanations

The Company had no funds deposited overseas with restrictions on repatriation of funds.

For details of the restrictions on the Company's monetary funds, please refer to VII. 31. Assets with Restricted Ownership or Right of Use.

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Financial assets held for trading

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance	Rationale and basis for designation
Financial assets at fair value through profit or loss	2,942,822,259.29	3,749,373,193.21	/
Including:			
Investments in debt instruments	694,448,304.93	769,858,312.35	/
Investments in equity instruments	1,797,174,876.32	1,692,562,718.50	/
Wealth management products in banks	451,199,078.04	1,286,952,162.36	/
Financial assets designated as at fair value through profit or loss			
Total	2,942,822,259.29	3,749,373,193.21	/

Other explanations:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Derivative financial assets

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Derivative financial assets with no designated hedging relationship	22,880,695.29	1,919,103.18
Total	22,880,695.29	1,919,103.18

4. Notes receivable

(1). Presentation of notes receivable by classification

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Bank acceptance	69,573,229.19	22,456,871.67
Trade acceptance	155,596,429.63	101,429,713.43
Total	225,169,658.82	123,886,585.10

(2). Notes receivable pledged by the Company at the end of the period

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Notes receivable (Continued)

(3). Notes receivable endorsed or discounted by the Company at the end of the period and not yet due on the balance sheet date

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance		52,709,416.55
Trade acceptance		163,785,715.40
Total		216,495,131.95

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Notes receivable (Continued)

(4). Disclosure by bad-debt provision method

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Type	Closing balance					Opening balance				
	Book balance		Provision for bad debts			Book balance		Provision for bad debts		
	Amount	Proportion	Amount	Proportion	Book value	Amount	Proportion	Amount	Proportion	Book value
		(%)		(%)			(%)		(%)	
Provision for bad debts made on an individual basis										
Including:										
Provision for bad debts made on a collective basis	233,358,944.59	100.00	8,189,285.77	3.51	225,169,658.82	129,224,991.08	100.00	5,338,405.98	4.13	123,886,585.10
Including:										
Bank acceptance	69,573,229.19	29.81			69,573,229.19	22,456,871.67	17.38			22,456,871.67
Trade acceptance	163,785,715.40	70.19	8,189,285.77	5.00	155,596,429.63	106,768,119.41	82.62	5,338,405.98	5.00	101,429,713.43
Total	233,358,944.59	/	8,189,285.77	/	225,169,658.82	129,224,991.08	/	5,338,405.98	/	123,886,585.10

Provision for bad debts made on an individual basis:

☐ Applicable ☒ N/A

Provision for bad debts made on a collective basis:

☒ Applicable ☐ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Notes receivable (Continued)

(4). Disclosure by bad-debt provision method (Continued)

Item made on a collective basis: Trade acceptance

Unit: Yuan Currency: RMB

Name	Book balance	Closing balance Provision for bad debts	Provision proportion (%)
Trade acceptance	163,785,715.40	8,189,285.77	5.00
Total	163,785,715.40	8,189,285.77	5.00

Description of provision for bad debts made on a collective basis

☐ Applicable ☒ N/A

Provision for bad debts made under general model of expected credit losses

☐ Applicable ☒ N/A

Description of significant changes in the book balance of notes receivable for which loss provision changed in the current period:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Notes receivable (Continued)

(5). Status of provision for bad debts

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Type	Opening balance	Amount of change in the current period			Other changes	Closing balance
		Accrual	Recovery or reversal	Carryforward or write-off		
Trade acceptance	5,338,405.98	2,850,879.79				8,189,285.77
Total	5,338,405.98	2,850,879.79				8,189,285.77

Of which, significant amounts of provision for bad debts recovered or reversed in the current period:

☐ Applicable ☒ N/A

(6). Notes receivable actually written off in the current period

☐ Applicable ☒ N/A

Of which, significant notes receivable written off:

☐ Applicable ☒ N/A

Description of the written-off of notes receivable:

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Accounts receivable

(1). Disclosure by aging

✓ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Aging	Closing book balance	Opening book balance
Within 1 year (including 1 year)	536,460,744.11	486,877,590.39
Within 1 year	536,460,744.11	486,877,590.39
1 to 2 years	7,849,023.81	23,097,344.40
2 to 3 years	3,327,330.22	1,044,140.39
Over 3 years		
3 to 4 years	785,000.17	400,000.00
4 to 5 years		17,725.00
Over 5 years	6,801,652.14	6,792,882.15
Total	555,223,750.45	518,229,682.33

The aging of accounts receivable is calculated based on the date of the sales invoice.

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Accounts receivable (Continued)

(2). Disclosure by bad-debt provision method

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Type	Closing balance					Opening balance				
	Book balance		Provision for bad debts			Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Proportion (%)	Book value	Amount	Proportion (%)	Amount	Proportion (%)	Book value
Provision for bad debts made on an individual basis										
Including:										
Provision for bad debts made on a collective basis	555,223,750.45	100.00	30,554,354.52	5.50	524,669,395.93	518,229,682.33	100.00	25,180,676.72	4.86	493,049,005.61
Including:										
The aging portfolio	461,671,343.23	83.15	30,554,354.52	6.62	431,116,988.71	362,500,828.07	69.95	25,180,676.72	6.95	337,320,151.35
Other portfolios	93,552,407.22	16.85			93,552,407.22	155,728,854.26	30.05			155,728,854.26
Total	555,223,750.45	/	30,554,354.52	/	524,669,395.93	518,229,682.33	/	25,180,676.72	/	493,049,005.61

Provision for bad debts made on an individual basis:

☐ Applicable ☒ N/A

Provision for bad debts made on a collective basis:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Accounts receivable (Continued)

(2). Disclosure by bad-debt provision method (Continued)

Item made on a collective basis: The aging portfolio

Unit: Yuan Currency: RMB

Name	Book balance	Closing balance Provision for bad debts	Provision proportion (%)
Within 1 year	444,399,996.39	22,215,999.85	5.00
1 to 2 years	6,357,364.31	635,736.43	10.00
2 to 3 years	3,327,330.22	665,466.05	20.00
3 to 4 years	785,000.17	235,500.05	30.00
4 to 5 years	—	—	—
Over 5 years	6,801,652.14	6,801,652.14	100.00
Total	461,671,343.23	30,554,354.52	

Description of provision for bad debts made on a collective basis:

☒ Applicable ☐ N/A

For accounts receivable classified into portfolios, the Group determines the proportion of provision for bad debts made based on the actual loss rate of accounts receivable portfolios with similar credit risk characteristics grouped by aging periods, with reference to historical credit loss experience, and in combination with the current situation and forecasts of future economic conditions.

Provision for bad debts made under general model of expected credit losses

☐ Applicable ☒ N/A

Description of significant changes in the book balance of accounts receivable for which loss provision changed in the current period:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Accounts receivable (Continued)

(3). Status of provision for bad debts

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Type	Opening balance	Amount of change in the current period			Other changes	Closing balance
		Accrual	Recovery or reversal	Carryforward or write-off		
Provision for bad debts made on a collective basis	25,180,676.72	5,373,677.80				30,554,354.52
Total	25,180,676.72	5,373,677.80				30,554,354.52

Of which, significant amounts of provision for bad debts recovered or reversed in the current period:

☐ Applicable ☒ N/A

(4). Accounts receivable actually written off in the current period

☐ Applicable ☒ N/A

Of which, significant accounts receivable written off

☐ Applicable ☒ N/A

Description of the written-off of accounts receivable:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Accounts receivable (Continued)

(5). Top five accounts receivable and contract assets according to the closing balance collected by the debtor

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Unit name	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion to the total closing balance of accounts receivable and contract assets (%)	Closing balance of provision for bad debts
Unit 1	103,364,269.43		103,364,269.43	18.62	5,168,213.47
Unit 2	69,566,133.47		69,566,133.47	12.53	3,478,306.67
Unit 3	13,481,996.64		13,481,996.64	2.43	718,541.54
Unit 4	12,075,939.67		12,075,939.67	2.17	603,796.98
Unit 5	11,864,234.54		11,864,234.54	2.14	593,211.73
Total	210,352,573.75		210,352,573.75	37.89	10,562,070.39

Other explanations:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

6. Contract assets

(1). Contract assets

☐ Applicable ☒ N/A

(2). Amount of and reason for significant change in book value during the Reporting Period

☐ Applicable ☒ N/A

(3). Disclosure by bad-debt provision method

☐ Applicable ☒ N/A

Provision for bad debts made on an individual basis:

☐ Applicable ☒ N/A

Description of provision for bad debts made on an individual basis:

☐ Applicable ☒ N/A

Provision for bad debts made on a collective basis:

☐ Applicable ☒ N/A

Provision for bad debts made under general model of expected credit losses

☐ Applicable ☒ N/A

Description of significant changes in the book balance of contract assets for which loss provision changed in the current period:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

6. Contract assets *(Continued)*

(4). Provision for bad debts made for contract assets in the current period

☐ Applicable ☒ N/A

Of which, significant amounts of provision for bad debts recovered or reversed in the current period:

☐ Applicable ☒ N/A

(5). Contract assets actually written off in the current period

☐ Applicable ☒ N/A

Of which, significant contract assets written off

☐ Applicable ☒ N/A

Description of the written-off of contract assets:

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

7. Receivables financing

(1). Presentation of receivables financing by classification

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Bank acceptance		80,034.15
Total		80,034.15

(2). Receivables financing pledged by the Company at the end of the period

☐ Applicable ☒ N/A

(3). Receivables financing endorsed or discounted by the Company at the end of the period and not yet due on the balance sheet date

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

7. Receivables financing *(Continued)*

(4). Disclosure by bad-debt provision method

☐ Applicable ☒ N/A

Provision for bad debts made on an individual basis:

☐ Applicable ☒ N/A

Description of provision for bad debts made on an individual basis:

☐ Applicable ☒ N/A

Provision for bad debts made on a collective basis:

☐ Applicable ☒ N/A

Provision for bad debts made under general model of expected credit losses

☐ Applicable ☒ N/A

Description of significant changes in the book balance of receivables financing for which loss provision changed in the current period:

☐ Applicable ☒ N/A

(5). Status of provision for bad debts

☐ Applicable ☒ N/A

Of which, significant amounts of provision for bad debts recovered or reversed in the current period:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

7. Receivables financing *(Continued)*

(6). Receivables financing actually written off in the current period

☐ Applicable ☒ N/A

Of which, significant receivables financing written off

☐ Applicable ☒ N/A

Description of the written-off:

☐ Applicable ☒ N/A

(7). Increase/decrease in receivables financing and their changes in fair value in the current period:

☐ Applicable ☒ N/A

(8). Other explanations:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Prepayments

(1). Presentation of prepayments by age

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Aging	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	553,246,376.04	97.23	461,407,081.27	97.64
1 to 2 years	13,161,209.59	2.31	6,416,025.05	1.36
2 to 3 years	1,495,607.59	0.26	1,022,253.52	0.22
Over 3 years	1,117,670.42	0.20	3,729,639.81	0.78
Total	569,020,863.64	100.00	472,574,999.65	100.00

Description of the reasons for the non-timely settlement of prepayments aged over 1 year and in significant amount:

The Company had no significant prepayments aged over 1 year

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Prepayments (Continued)

(2). Top five prepayments according to the closing balance collected by the debtor

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Unit name	Closing balance	Proportion to the total closing balance of prepayments (%)
Unit 1	101,560,339.66	17.85
Unit 2	66,656,283.16	11.71
Unit 3	64,427,400.00	11.32
Unit 4	42,621,948.07	7.4
Unit 5	28,225,291.26	4.96
Total	303,491,262.15	53.34

Other explanations

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Other receivables

Presentation by item

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interests receivable		
Dividends receivable		
Other receivables	5,097,083,476.84	4,940,701,333.75
Total	5,097,083,476.84	4,940,701,333.75

Other explanations:

☐ Applicable ☒ N/A

Interests receivable

(1). Classification of interests receivable

☐ Applicable ☒ N/A

(2). Significant overdue interest

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

9. Other receivables *(Continued)*

Interests receivable *(Continued)*

(3). Disclosure by bad-debt provision method

☐ Applicable ☒ N/A

Provision for bad debts made on an individual basis:

☐ Applicable ☒ N/A

Description of provision for bad debts made on an individual basis:

☐ Applicable ☒ N/A

Provision for bad debts made on a collective basis:

☐ Applicable ☒ N/A

(4). Provision for bad debts made under general model of expected credit losses

☐ Applicable ☒ N/A

(5). Status of provision for bad debts

☐ Applicable ☒ N/A

Of which, significant amounts of provision for bad debts recovered or reversed in the current period:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

9. Other receivables *(Continued)*

Interests receivable *(Continued)*

(6). *Interests receivable actually written off in the current period*

☐ Applicable ☒ N/A

Of which, significant interests receivable written off

☐ Applicable ☒ N/A

Description of the written-off:

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

Dividends receivable

(1). *Dividends receivable*

☐ Applicable ☒ N/A

(2). *Significant dividends receivable aged over 1 year*

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

9. Other receivables *(Continued)*

Dividends receivable *(Continued)*

(3). Disclosure by bad-debt provision method

☐ Applicable ☒ N/A

Provision for bad debts made on an individual basis:

☐ Applicable ☒ N/A

Description of provision for bad debts made on an individual basis:

☐ Applicable ☒ N/A

Provision for bad debts made on a collective basis:

☐ Applicable ☒ N/A

(4). Provision for bad debts made under general model of expected credit losses

☐ Applicable ☒ N/A

(5). Status of provision for bad debts

☐ Applicable ☒ N/A

Of which, significant amounts of provision for bad debts recovered or reversed in the current period:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

9. Other receivables *(Continued)*

Dividends receivable *(Continued)*

(6). *Dividends receivable actually written off in the current period*

☐ Applicable ☒ N/A

Of which, significant dividends receivable written off

☐ Applicable ☒ N/A

Description of the written-off:

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Other receivables (Continued)

Other receivables

(1). Disclosure by aging

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Aging	Closing book balance	Opening book balance
Within 1 year (including 1 year)	4,661,583,348.22	4,658,778,993.55
Within 1 year	4,661,583,348.22	4,658,778,993.55
1 to 2 years	337,214,496.69	138,120,565.76
2 to 3 years	332,258,258.13	417,134,687.40
Over 3 years		
3 to 4 years	68,164,404.45	9,721,330.28
4 to 5 years	30,740,191.51	32,720,211.09
Over 5 years	100,410,543.22	99,287,962.41
Total	5,530,371,242.22	5,355,763,750.49

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Other receivables (Continued)

Other receivables (Continued)

(2). Classification by the nature of payment

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Nature of payment	Closing book balance	Opening book balance
Security deposit	4,704,405,416.95	4,087,785,866.23
Utility bill	66,448,594.96	64,617,587.51
Borrowings and advance payment	487,327,261.23	545,534,677.29
Tax refunds	141,934,993.85	554,412,863.82
Deposit	10,224,214.79	15,889,264.50
Reserve fund	8,688,768.40	8,422,663.41
Rent	6,439,549.54	2,459,706.23
Others	104,902,442.50	76,641,121.50
Total	5,530,371,242.22	5,355,763,750.49

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Other receivables (Continued)

Other receivables (Continued)

(3). Provision for bad debts made

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Provision for bad debts	Stage I ECL over the next 12 months	Stage II Lifetime ECL (non-credit impaired)	Stage III Lifetime ECL (credit impaired)	Total
Balance on 1 January 2025	9,635,706.24		405,426,710.50	415,062,416.74
Balance on 1 January 2025 in the current period				
– Transfer to stage II				
– Transfer to stage III				
– Reversed from stage II				
– Reversed from stage I				
Provision made for the current period	17,161,192.03		1,421,318.37	18,582,510.40
Reversed in the current period	362,010.98			362,010.98
Carried forward in the current period				–
Written off in the current period				–
Other changes	4,992.00		-142.78	4,849.22
Balance on 30 June 2025	26,439,879.29		406,847,886.09	433,287,765.38

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Other receivables (Continued)

Other receivables (Continued)

(3). Provision for bad debts made (Continued)

Description of significant changes in the book balance of other receivables for which loss provision changed in the current period:

☐ Applicable ☒ N/A

Amount of provision for bad debts made in the current period and basis adopted for evaluating whether credit risk of financial instruments increased significantly:

☐ Applicable ☒ N/A

(4). Status of provision for bad debts

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Type	Opening balance	Amount of change in the current period			Closing balance
		Accrual	Recovery or reversal	Carryforward or write-off	
Provision for bad debts made on an individual basis	405,426,710.50	1,421,318.37			406,847,886.09
Provision for bad debts made on a collective basis	9,635,706.24	17,161,192.03	362,010.98		26,439,879.29
Total	415,062,416.74	18,582,510.40	362,010.98		433,287,765.38

Of which, significant amounts of provision for bad debts reversed or recovered in the current period:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Other receivables (Continued)

Other receivables (Continued)

(5). Other receivables actually written off in the current period

☐ Applicable ☒ N/A

Of which, other significant receivables written off:

☐ Applicable ☒ N/A

Description of the written-off of other receivables:

☐ Applicable ☒ N/A

(6). Top five other receivables according to the closing balance collected by the debtor

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Unit name	Closing balance	Proportion to the total closing balance of other receivables (%)	Nature of payment	Aging	Closing balance of provision for bad debts
Unit 1	1,853,587,165.34	33.52	Security deposit	Within 1 year	
Unit 2	929,697,442.64	16.81	Security deposit	Within 1 year	
Unit 3	676,269,305.92	12.23	Security deposit	Within 1 year	
Unit 4	291,219,800.80	5.27	Current account	2 to 3 years	213,040,827.36
Unit 5	212,924,097.30	3.85	Security deposit	Within 1 year	
Total	3,963,697,812.00	71.67	/	/	213,040,827.36

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Other receivables (Continued)

Other receivables (Continued)

(7). Listed in other receivables due to centralized fund management

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

10. Inventory

(1). Classification of inventory

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for inventory decline/impairment	Book value	Book balance	Provision for inventory decline/impairment	Book value
Raw materials	671,008,402.17	201,470.01	670,806,932.16	630,714,128.68	201,470.01	630,512,658.67
Work in process	2,843,615,660.77		2,843,615,660.77	2,868,797,174.95		2,868,797,174.95
Inventory goods	3,774,057,407.51		3,774,057,407.51	2,593,998,197.05	5,431,596.92	2,588,566,600.13
Turnover materials	556,548,348.33		556,548,348.33	475,756,890.43		475,756,890.43
Consumable biological assets	26,933,342.04	3,702,830.45	23,230,511.59	26,933,342.04	3,702,830.45	23,230,511.59
Contract performance cost	3,452,455.03		3,452,455.03	2,488,927.98		2,488,927.98
Commissioned processing materials	549,944,316.73		549,944,316.73	227,212,986.18		227,212,986.18
Delivered goods	3,179,866.28		3,179,866.28	3,179,866.28		3,179,866.28
Total	8,428,739,798.86	3,904,300.46	8,424,835,498.40	6,829,081,513.59	9,335,897.38	6,819,745,616.21

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10. Inventory (Continued)

(2). Data resources recognized as inventory

☐ Applicable ☒ N/A

(3). Provision for inventory decline and impairment provision for contract performance cost

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Opening balance	Increased amount in the current period		Decreased amount in the current period		Closing balance
		Provision	Others	Reversal or carryforward	Others	
Raw materials	201,470.01					201,470.01
Work in process						
Inventory goods	5,431,596.92			5,431,596.92		
Turnover materials						
Consumable biological assets	3,702,830.45					3,702,830.45
Contract performance cost						
Total	9,335,897.38			5,431,596.92		3,904,300.46

Reasons for reversal or carryforward of provision for inventory decline in the current period

☐ Applicable ☒ N/A

Provision for inventory decline made on a collective basis

☐ Applicable ☒ N/A

Criteria for provision for inventory decline made on a collective basis

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

10. Inventory *(Continued)*

- (4). Capitalized amount of borrowing expenses included in the closing balance of inventories and the criteria and basis for their calculation

☐ Applicable ☒ N/A

- (5). Description of the amortization amount of contract performance cost in the current period

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

11. Assets held for sale

☐ Applicable ☒ N/A

12. Non-current assets due within one year

☐ Applicable ☒ N/A

Debt investments due within one year

☐ Applicable ☒ N/A

Other debt investments due within one year

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. Other current assets

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Contract acquisition cost		
Cost for returned goods receivable		
Lease of gold	458,745,100.00	670,518,049.80
Input tax credit	738,028,424.00	300,385,549.18
Advanced income tax	16,455,037.90	19,031,746.26
Deferred expenses	1,128,849.03	956,642.26
Advanced other taxes and fees	7,126,031.92	10,237,348.96
Other assets from structured entities		17,696,345.68
Others	7,236,686.70	3,818,723.47
Total	1,228,720,129.55	1,022,644,405.61

14. Debt investments

(1). Debt investments

☐ Applicable ☒ N/A

Changes in impairment provision for debt investments in the current period

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

14. Debt investments *(continued)*

(2). Significant debt investments at the end of the period

☐ Applicable ☒ N/A

(3). Impairment provision made

☐ Applicable ☒ N/A

Description of significant changes in the book balance of debt investments for which loss provision changed in the current period:

☐ Applicable ☒ N/A

Amount of impairment provision made in the current period and basis adopted for evaluating whether credit risk of financial instruments increased significantly:

☐ Applicable ☒ N/A

(4). Debt investments actually written off in the current period

☐ Applicable ☒ N/A

Of which, significant debt investments written off

☐ Applicable ☒ N/A

Description of the written-off of debt investments:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

15. Other debt investments

(1). Other debt investments

☐ Applicable ☒ N/A

Changes in impairment provision for other debt investments in the current period

☐ Applicable ☒ N/A

(2). Other significant debt investments at the end of the period

☐ Applicable ☒ N/A

(3). Impairment provision made

☐ Applicable ☒ N/A

(4). Other debt investments actually written off in the current period

☐ Applicable ☒ N/A

Of which, other significant debt investments written off

☐ Applicable ☒ N/A

Description of the written-off of other debt investments:

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

16. Long-term receivables

(1). Long-term receivables

☐ Applicable ✓ N/A

(2). Disclosure by bad-debt provision method

☐ Applicable ✓ N/A

Provision for bad debts made on an individual basis:

☐ Applicable ✓ N/A

Description of provision for bad debts made on an individual basis:

☐ Applicable ✓ N/A

Provision for bad debts made on a collective basis:

☐ Applicable ✓ N/A

Provision for bad debts made under general model of expected credit losses

☐ Applicable ✓ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Long-term receivables (Continued)

(3). Status of provision for bad debts

☐ Applicable ☒ N/A

Of which, significant amounts of provision for bad debts recovered or reversed in the current period:

☐ Applicable ☒ N/A

(4). Long-term receivables actually written off in the current period

☐ Applicable ☒ N/A

Of which, significant long-term receivables written off

☐ Applicable ☒ N/A

Description of the written-off:

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. Long-term equity investment

(1). Long-term equity investment

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Investee	Opening balance (carrying amount)	Opening balance of provisions for impairment	Changes for the current period							Closing balance (carrying amount)	Closing balance of provisions for impairment
			Increase in investment	Decrease in investment	Investment gains and losses recognized under equity method	Adjustment for other comprehensive income	Change in other equity	Declared and paid cash dividends or profits	Provisions for impairment		
I. Associates											
Shandong Gold Group Finance Co., Ltd. (山東黃金集團財務有限公司)	1,085,216,501.95				24,213,888.91			25,811,935.09		1,083,618,455.77	
Shanghai Lide Shanjin Asset Management Co., Ltd. (上海利得山金資產管理有限公司)	3,967,503.88				-57,106.05					3,910,397.83	
Laizhou Huijin Mining Investment Ltd. (萊州匯金礦業投資有限公司)	1,437,748,626.05				-1,236,069.16					1,436,512,556.89	
Total	2,526,932,631.88				22,920,713.70			25,811,935.09		2,524,041,410.49	

(2). Impairment test of long-term equity investments

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18. Other equity instrument investment

(1). Other equity instrument investment

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Changes for the current period						Others	Closing balance	Dividend income recognized in the current period	Accumulated gains included in other comprehensive income	Accumulated losses included in other comprehensive income	Reason for being designated as measured at fair value through other comprehensive income
	Opening balance	Increase in investment	Decrease in investment	Gains included in other comprehensive income in the current period	Losses included in other comprehensive income in the current period							
Membership of the Shanghai Gold Exchange	4,900,000.00						4,900,000.00					
Membership of the Shanghai Futures Exchange	1,000,000.00						1,000,000.00					
Membership of the Dalian Commodity Exchange	500,000.00						500,000.00					
Membership of the Zhengzhou Commodity Exchange	400,000.00						400,000.00					
Shandong Laizhou Rural Commercial Bank Co., Ltd. (山東萊州農村商業銀行股份有限公司)	1,100,000.00						1,100,000.00					
Qinghai Kunlun Gold Co., Ltd. (青海昆侖黃金有限公司)	13,282,513.97						13,282,513.97					
Baishan Rongsheng Mining Development Co., Ltd. (白山市融盛礦業開發有限公司)	500,000.00						500,000.00					
Chifeng Herizeng Mining Development Co., Ltd. (赤峰市和日增礦業開發有限公司)	1,300,518.01						1,300,518.01					
Inner Mongolia Xing'an Copper and Zinc Smelting Co., Ltd. (內蒙古興安銅鋅冶煉有限公司)	5,736,790.22						5,736,790.22					
Total	28,719,822.20						28,719,822.20					/

(2). Explanation on derecognition in the current period

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

19. Other non-current financial assets

✓ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Equity securities	4,383,863,186.92	4,454,180,399.78
Asset management plans	19,407,710.89	25,370,418.82
Investment fund	50,537,392.39	2,049,758.01
Total	4,453,808,290.20	4,481,600,576.61

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

20. Investment real estate

Measurement model for investment real estate

(1). Investment real estate measured under cost method

Unit: Yuan Currency: RMB

Item	Houses and buildings	Land use rights	Construction in progress	Total
I. Original carrying amount				
1. Opening balance	241,887,529.98			241,887,529.98
2. Increased amount in the current period	5,594,869.75			5,594,869.75
(1) Purchase	5,594,869.75			5,594,869.75
(2) Transfer from inventory/ fixed assets/construction in progress				
(3) Increased from enterprise merger				
3. Decreased amount in the current period				
(1) Disposal				
(2) Other transfer out				
4. Closing balance	247,482,399.73			247,482,399.73
II. Accumulated depreciation and accumulated amortisation				
1. Opening balance	109,040,066.97			109,040,066.97
2. Increased amount in the current period	4,527,915.87			4,527,915.87
(1) Accrual or amortisation	4,527,915.87			4,527,915.87
3. Decreased amount in the current period				
(1) Disposal				
(2) Other transfer out				
4. Closing balance	113,567,982.84			113,567,982.84
III. Provision for impairment				
1. Opening balance				
2. Increased amount in the current period				
(1) Accrual				
3. Decreased amount in the current period				
(1) Disposal				
(2) Other transfer out				
4. Closing balance				
IV. Carrying amount				
1. Closing carrying amount	133,914,416.89			133,914,416.89
2. Opening carrying amount	132,847,463.01			132,847,463.01

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

20. Investment real estate *(Continued)*

(2). Investment real estate without title certificates:

☐ Applicable ☒ N/A

(3). Impairment test of investment real estate adopting cost measurement model

☐ Applicable ☒ N/A

Other explanations

☐ Applicable ☒ N/A

21. Fixed assets

Presentation of item

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Fixed assets	49,247,725,202.45	50,792,155,870.59
Disposal of fixed assets	31,716,003.62	34,103,792.18
Total	49,279,441,206.07	50,826,259,662.77

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

21. Fixed assets (Continued)

Fixed assets

(1). Fixed assets

✓ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Houses and buildings	Machinery equipment	Transportation tools	General equipment	Specialized equipment	Furniture, appliances, fittings and others	Total
I. Original carrying amount:							
1. Opening balance	68,144,520,999.16			4,364,015,743.41	10,202,296,151.36	844,079,649.98	83,554,912,543.91
2. Increased amount in the current period	266,374,053.68			419,080,329.02	186,164,955.61	139,520,181.24	1,011,139,519.55
(1) Purchase	52,571,899.61			391,248,842.99	114,990,885.23	1,982,876.88	560,794,504.71
(2) Transferred from construction in progress	195,620,153.07			26,826,866.03	71,174,070.38	122,895,331.65	416,516,421.13
(3) Increased from enterprise merger	-						
(4) Others	18,182,001.00			1,004,620.00		14,641,972.71	33,828,593.71
3. Decreased amount in the current period	158,168,469.76			11,096,635.62	122,025,582.69	57,077,226.01	348,367,914.08
(1) Disposal or retirement	152,032.00			2,630,579.66	11,080,410.69	114,478.45	13,977,500.80
(2) Others	98,292,339.95			6,468,598.38	92,927,037.01	56,008,162.84	253,696,338.18
(3) Differences on translation of statements in foreign currency	59,723,897.81			1,997,457.58	18,018,134.99	954,584.72	80,694,075.10
4. Closing balance	68,252,726,583.08			4,771,999,436.81	10,266,435,524.28	926,522,605.21	84,217,684,149.38
II. Accumulated depreciation							
1. Opening balance	22,563,441,526.32			2,295,194,029.17	7,368,266,846.00	433,313,980.17	32,660,216,381.66
2. Increased amount in the current period	1,490,845,148.83			512,224,915.61	238,815,628.39	115,644,880.95	2,357,530,573.78
(1) Accrual	1,490,845,148.83			512,146,776.13	238,815,628.39	115,644,880.95	2,357,452,434.30
(2) Others				78,139.48			78,139.48
3. Decreased amount in the current period	57,614,397.49			7,544,597.63	83,412,595.55	1,656,276.24	150,227,866.91
(1) Disposal or retirement	60,226.00			2,406,332.09	9,701,994.02	99,454.45	12,268,006.56
(2) Others	19,307,183.65			4,851,468.80	57,830,477.75		82,089,130.20
(3) Differences on translation of statements in foreign currency	38,246,987.84			286,796.74	15,780,123.78	1,556,821.79	55,870,730.15
4. Closing balance	23,996,672,277.66			2,799,874,347.15	7,523,669,878.84	547,302,584.88	34,867,519,088.53
III. Provision for impairment							
1. Opening balance	101,987,519.47			381,126.34	171,645.85		102,540,291.66
2. Increased amount in the current period							
(1) Accrual							
3. Decreased amount in the current period	100,433.26						100,433.26
(1) Disposal or retirement							
(2) Differences on translation of statements in foreign currency	100,433.26						100,433.26
4. Closing balance	101,887,086.21			381,126.34	171,645.85		102,439,858.40
IV. Carrying amount							
1. Closing carrying amount	44,154,167,219.21			1,971,743,963.32	2,742,593,999.59	379,220,020.33	49,247,725,202.45
2. Opening carrying amount	45,479,091,953.37			2,068,440,587.90	2,833,857,659.51	410,765,669.81	50,792,155,870.59

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

21. Fixed assets (Continued)

Fixed assets (Continued)

(2). Temporarily idle fixed assets

☐ Applicable ☒ N/A

(3). Fixed assets leased out through operating leases

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Closing carrying amount
Land,houses and buildings	6,647,753.89
General equipment	5,974.44
Specialized equipment	2,019,332.68
Total	8,673,061.01

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

21. Fixed assets (Continued)

Fixed assets (Continued)

(4). Fix assets without title certificates

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Carrying amount	Reasons for not completing the certificate of title
Yulong Mining houses	188,714,440.31	In processing
Jiaojia Gold Mine houses	155,610,373.90	In processing
Linglong Gold Mine houses	128,117,641.12	In processing
Jinzhou Mine houses	35,362,742.95	In processing
Yinan Gold Mine Jinlong mine area office building	3,688,560.22	In processing
Sanshandao New Filter Press plant (三山島新壓濾廠房)	2,595,372.70	In processing
Heihe Luoke real estate	22,820,313.64	In processing
Total	536,909,444.84	

(5). Impairment test of fixed assets

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

21. Fixed assets (Continued)

Disposal of fixed assets

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Houses and buildings	5,473,121.60	5,538,352.05
General equipment	10,503,503.42	12,023,108.32
Specialized equipment	15,685,860.28	16,443,091.04
Furniture, appliances, equipment and others	53,518.32	99,240.77
Total	31,716,003.62	34,103,792.18

22. Construction in progress

Presentation of item

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Construction in progress	14,653,617,671.00	10,438,347,909.12
Engineering materials	244,151,177.21	166,097,166.29
Total	14,897,768,848.21	10,604,445,075.41

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. Construction in progress (Continued)

Construction in progress

(1). Construction in progress

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Construction in progress	14,653,617,671.00		14,653,617,671.00	10,438,347,909.12		10,438,347,909.12
Total	14,653,617,671.00		14,653,617,671.00	10,438,347,909.12		10,438,347,909.12

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. Construction in progress (Continued)

Construction in progress (Continued)

(2). Changes in important construction-in-progress projects in the current period

✓ Applicable □ N/A

Unit: Yuan Currency: RMB

Name of project	Budget	Opening balance	Increased amount in the current period	Amount transferred to fixed assets in the current period	Other decreased amount in the current period	Closing balance	Proportion of cumulative project investment to budget (%)	Project progress	Accumulated amount of interest capitalized	Including: Capitalized amount of interest in the current period	Current interest capitalization rate (%)	Sources of funds
Sanshandao Scientific Research Informatization Project (三山島科研信息化項目)	675,520,000.00	38,401,790.72	44,011,017.19	3,724,511.09		78,689,296.82	41.22	50.00				Self-raised funds
Sanshandao Technical Transformation Project (三山島技術改造項目)	2,458,550,700.00	282,402,748.66	498,120,405.91	25,557,000.44		754,966,154.33	60.65	68.00				Self-raised funds
Mineral Resources Development and Utilization (Boundary and Capacity Expansion) Project of Sanshandao Gold Mine (三山島金礦礦產資源開發利用(擴界擴能)工程)	12,052,120,000.00	95,230,523.80	142,413,528.14	8,176,193.22		229,530,858.72	7.13	14.13	17,189,293.56			Self-raised funds
Resource Integration, Development and Utilization Project for Jiaojia Gold Mining Belt (焦家金礦帶資源整合開發利用工程項目)	8,273,131,000.00	310,591,542.66	485,960,281.80			796,551,824.46	13.87	13.87				Self-raised funds
Deep Mining Project of Linglong Mining Area (玲龍礦區深部開採工程)	434,764,100.00	121,737,519.42				121,737,519.42	42.89	46.55				Self-raised funds
Linglong Gold Mine Dongfeng Mining Area Capacity and Boundary Expansion Project (玲龍金礦東風礦區擴能擴界工程)	1,227,327,900.00	284,711,211.82	8,456,905.21	1,555,786.67		291,612,330.36	58.41	59.50				Proceeds
Wenjiadi Exploration Project (溫家地探礦工程)	600,000,000.00	218,515,080.59	7,666,415.55			226,181,496.14	70.53	80.00				Self-raised funds
Gulaizhuang Exploration Shaft Project (錦來莊探礦井工程)	440,680,000.00	141,624,171.46	55,943.64			141,680,115.10	32.15	32.15				Self-raised funds
Xincheng Gold Mine Mining and Beneficiation Expansion Project (新城金礦採選擴建工程)	3,783,971,400.00	859,334,730.98	168,673,382.64			1,028,008,113.62	62.99	66.15				Self-raised funds
Tongjing Mining Area (Boundary Expansion) Mining Project (銅井礦區(擴界)探礦工程)	433,096,200.00	274,625,067.65	13,954,746.95			288,579,814.60	92.02	99.99	5,767,772.68			Self-raised funds
Xinhui Mining Expansion Project (鑫匯探礦擴建工程)	831,549,300.00	597,176,668.76	5,177,184.16			602,353,852.92	72.44	97.04	10,982,344.91			Self-raised funds
Yuanxin Geological Exploration Project (源鑫地質探礦工程)	386,547,900.00	321,530,821.02	15,678,452.63			337,209,273.65	88.38	82.33	787,073.06			Self-raised funds
Laxi Shaft and Tunnel Project (陝西井巷工程)	394,720,351.53	283,781,923.02	58,470,748.55			342,252,671.57	85.01	90.00				Self-raised funds
Namding Construction Project (納穆蒂尼建設工程項目)	4,076,000,000.00	4,019,483,648.51	233,534,740.35			4,253,018,388.86	104.34	99.99	197,887,724.51			Self-raised funds
Total	36,067,978,851.53	7,849,210,449.27	1,682,173,753.72	39,013,491.42		9,492,370,711.57	/	/	232,614,208.72		/	/

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. Construction in progress (Continued)

Construction in progress (Continued)

(3). Provision for impairment of construction in progress made in the current period

☐ Applicable ☒ N/A

(4). Impairment test of construction in progress

☐ Applicable ☒ N/A

Other explanations

☐ Applicable ☒ N/A

Engineering materials

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Book balance	Closing balance		Book balance	Opening balance	
		Provision for impairment	Carrying amount		Provision for impairment	Carrying amount
Specialized equipment	238,834,478.23		238,834,478.23	163,281,558.02		163,281,558.02
Special materials	5,316,698.98		5,316,698.98	2,815,608.27		2,815,608.27
Total	244,151,177.21		244,151,177.21	166,097,166.29		166,097,166.29

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

23. Productive biological assets

(1). Productive biological assets measured under cost method

☐ Applicable ✓ N/A

(2). Impairment test of productive biological assets measured under cost method

☐ Applicable ✓ N/A

(3). Productive biological assets measured at fair value

☐ Applicable ✓ N/A

Other explanations

☐ Applicable ✓ N/A

24. Oil and gas assets

(1). Oil and gas assets

☐ Applicable ✓ N/A

(2). Impairment test of oil and gas assets

☐ Applicable ✓ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

25. Right-of-use assets

(1). Right-of-use assets

✓ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Land	Houses and buildings	Machinery equipment	Transportation equipment	Total
I. Original carrying amount					
1. Opening balance	185,325,552.91	148,457,518.84	152,499,301.73	13,986,012.45	500,268,385.93
2. Increased amount in the current period	28,783,528.43	36,408,559.11	21,204,437.80	588,408.39	86,984,933.73
(1) Purchase	28,783,528.43	36,400,106.42	21,204,437.80	588,408.39	86,976,481.04
(2) Differences on translation of statements in foreign currency		8,452.69			8,452.69
3. Decreased amount in the current period	6,501,044.17	3,330,406.66	626,891.02	297,161.98	10,755,503.83
(1) Disposal or retirement	6,202,697.86	3,330,406.66		297,161.98	9,830,266.50
(2) Others	298,346.31				298,346.31
(3) Differences on translation of statements in foreign currency			626,891.02		626,891.02
4. Closing balance	207,608,037.17	181,535,671.29	173,076,848.51	14,277,258.86	576,497,815.83
II. Accumulated depreciation					
1. Opening balance	77,305,557.11	81,542,648.40	123,597,110.87	5,757,217.78	288,202,534.16
2. Increased amount in the current period	20,419,975.35	20,960,805.35	15,032,403.46	1,163,507.18	57,576,691.34
(1) Accrual	20,419,975.35	20,950,128.72	15,032,403.46	1,163,507.18	57,566,014.71
(2) Differences on translation of statements in foreign currency		10,676.63			10,676.63
3. Decreased amount in the current period	2,923,654.62	2,338,389.54	507,634.21	297,161.98	6,066,840.35
(1) Disposal	2,923,654.62	2,338,389.54		297,161.98	5,559,206.14
(2) Others					-
(3) Differences on translation of statements in foreign currency			507,634.21		507,634.21
4. Closing balance	94,801,877.84	100,165,064.21	138,121,880.12	6,623,562.98	339,712,385.15

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

25. Right-of-use assets *(Continued)*

(1). Right-of-use assets *(Continued)*

Item	Land	Houses and buildings	Machinery equipment	Transportation equipment	Total
III. Provision for impairment					
1. Opening balance					
2. Increased amount in the current period					
(1) Accrual					
3. Decreased amount in the current period					
(1) Disposal					
4. Closing balance					
IV. Carrying amount					
1. Closing carrying amount	112,806,159.33	81,370,607.08	34,954,968.39	7,653,695.88	236,785,430.68
2. Opening carrying amount	108,019,995.80	66,914,870.44	28,902,190.86	8,228,794.67	212,065,851.77

(2). Impairment test of right-of-use assets

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

26. Intangible assets

(1). Intangible assets

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Land use rights	Patent right	Non-patent technologies	Mining rights	Software	Copyrights	Data resources	Others	Total
I. Original carrying amount									
1. Opening balance	1,700,846,031.90	185,732,436.25	58,161,281.71	56,296,811,372.38	283,650,085.58	6,414,767.32	2,598,321.87	4,599,973.10	58,538,814,270.11
2. Increased amount in the current period	15,511,893.44	50,639.78	-	299,013,508.84	5,153,497.77	-	-	-	319,729,539.83
(1) Purchase	14,045,913.25			169,812,219.75	3,402,120.38				187,260,253.38
(2) Internal R&D		50,639.78							50,639.78
(3) Increased from enterprise merger				111,528,571.43					111,528,571.43
(4) Transfer of construction in progress	1,465,980.19			17,672,717.66	1,751,377.39				20,890,075.24
(5) Differences on translation of statements in foreign currency									-
3. Decreased amount in the current period				13,044,021.67	21,795.19	-	-	-	13,065,816.86
(1) Disposal									-
(2) Differences on translation of statements in foreign currency				13,044,021.67	21,795.19				13,065,816.86
4. Closing balance	1,716,357,925.34	185,783,076.03	58,161,281.71	56,582,780,859.55	288,781,788.16	6,414,767.32	2,598,321.87	4,599,973.10	58,845,477,993.08

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

26. Intangible assets (Continued)

(1). Intangible assets (Continued)

Item	Land use rights	Patent right	Non-patent technologies	Mining rights	Software	Copyrights	Data resources	Others	Total
II. Accumulated amortization									
1. Opening balance	360,774,018.83	50,284,107.43	14,295,657.62	10,002,691,338.89	134,625,375.24	1,261,172.79	247,490.29	2,683,072.44	10,566,862,233.53
2. Increased amount in the current period	26,457,438.19	8,066,480.59	2,924,374.92	595,771,921.67	11,989,622.88	320,490.84	274,945.79	89,088.19	645,894,363.07
(1) Accrual	26,457,438.19	8,066,480.59	2,924,374.92	595,771,921.67	11,989,622.88	320,490.84	274,945.79	89,088.19	645,894,363.07
3. Decreased amount in the current period	-	-	-	-	10,300.08	-	-	-	10,300.08
(1) Disposal									-
(2) Differences on translation of statements in foreign currency					10,300.08				10,300.08
4. Closing balance	387,231,457.02	58,350,588.02	17,220,032.54	10,598,463,260.56	146,604,698.04	1,581,663.63	522,436.08	2,772,160.63	11,212,746,296.52
III. Provision for impairment									
1. Opening balance	8,036,704.18			616,076,470.49					624,113,174.67
2. Increased amount in the current period									
(1) Accrual									
3. Decreased amount in the current period									
(1) Disposal									
4. Closing balance	8,036,704.18			616,076,470.49					624,113,174.67
IV. Carrying amount									
1. Closing carrying amount	1,321,089,764.14	127,432,488.01	40,941,249.17	45,368,241,128.50	142,177,090.12	4,833,103.69	2,075,885.79	1,827,812.47	47,008,618,521.89
2. Opening carrying amount	1,332,035,308.89	135,448,328.82	43,865,624.09	45,678,043,563.00	149,024,710.34	5,153,594.53	2,350,831.58	1,916,900.66	47,347,838,861.91

As at the end of the current period, the intangible assets from internal R&D of the Company accounted for 0% of the balance of intangible assets

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

26. Intangible assets (Continued)

(2). Data resources recognised as intangible assets

✓ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Data resource intangible assets purchased externally	Self-developed data resource intangible assets	Data resource intangible assets obtained through other means	Total
I. Original carrying amount				
1. Opening balance		2,598,321.87		2,598,321.87
2. Increased amount in the current period Including: Purchase Internal R&D Other additions				
3. Decreased amount in the current period Including: Disposal Lapsed and derecognition Other decreases				
4. Closing balance		2,598,321.87		2,598,321.87
II. Accumulated amortization				
1. Opening balance		247,490.29		247,490.29
2. Increased amount in the current period		274,945.79		274,945.79
3. Decreased amount in the current period Including: Disposal Lapsed and derecognition Other decreases				
4. Closing balance		522,436.08		522,436.08

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

26. Intangible assets *(Continued)*

(2). Data resources recognised as intangible assets *(Continued)*

Item	Data resource intangible assets purchased externally	Self-developed data resource intangible assets	Data resource intangible assets obtained through other means	Total
III. Provision for impairment				
1. Opening balance				
2. Increased amount in the current period				
3. Decreased amount in the current period				
4. Closing balance				
IV. Carrying amount				
1. Closing carrying amount		2,075,885.79		2,075,885.79
2. Opening carrying amount		2,350,831.58		2,350,831.58

Other explanations:

None

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

26. Intangible assets (Continued)

(3). Land use rights without title certificates

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Carrying amount	Reasons for not completing the certificate of title
Jilin Banmiaozi tailings pond expansion project	34,353,301.91	Title certificate is in the process of application

(4). Impairment test of intangible assets

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

27. Goodwill

(1). Original carrying amount of goodwill

✓ Applicable □ N/A

Unit: Yuan Currency: RMB

Name of investee or matters for goodwill to arise	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Arising from a business combination	Others	Disposal	Changes in foreign exchange rates	
Chifeng Chaihulanzi Gold Mining Co., Ltd.	117,586,380.47					117,586,380.47
Xincheng Gold Mine of the Company ^(Note 1)	1,209,290,038.30					1,209,290,038.30
Xihe Zhongbao Mining Co., Ltd.	178,219,771.61					178,219,771.61
Fujian Zhenghe County Yuanxin Mining Co., Ltd.	97,966,184.04					97,966,184.04
Shandong Gold Group Penglai Mining Co., Ltd. ^(Note 2)	42,173,675.85					42,173,675.85
Shandong Gold Guilaizhuang Mining Co., Ltd.	56,770,270.14					56,770,270.14
Minera Andina Del Sol S.R.L. ^(Note 3)	1,106,697,310.40				4,587,888.80	1,102,109,421.60
Shanjin Futures Co., Ltd. (山金期貨有限公司)	53,575,963.44					53,575,963.44
Shandong Dikuang Lajijin Holdings Co., Ltd. ^(Note 4)	339,427,006.95					339,427,006.95
Hengxing Gold Holding Company Limited	87,251,902.06					87,251,902.06
Shanjin International Gold Co., Ltd.	9,784,149,553.84					9,784,149,553.84
Inner Mongolia Shanjin Changtai Mining Co., Ltd.	100,277,030.71	1,447,500.00				101,724,530.71
Total	13,173,385,087.81	1,447,500.00			4,587,888.80	13,170,244,699.01

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

27. Goodwill (Continued)

(1). Original carrying amount of goodwill (Continued)

Note 1: In December 2021, the Company's subsidiary Shandong Jinshi Mining Co., Ltd. transferred the exploration rights for Qujia Area Gold Mine Exploration to Xincheng Gold Mine of the Company free of charge. The related goodwill generated from the acquisition of the asset group containing these exploration rights was simultaneously recognized in the Company's accounts.

Note 2: Pursuant to the Reply of the Yantai Municipal People's Government on the Approval of the Integrated Optimization Plan for Gold Mineral Resources in Muping District and Three Other Districts (Cities) and the Optimized Adjustment Plan for the Integration of Gold Mineral Resources in Penglai District, Yantai City approved by the People's Government of Penglai District, Yantai City, the Company's subsidiary Shandong Gold Group Penglai Mining Co., Ltd. integrated five mining rights and related assets, liabilities, and personnel of Shandong Gold Jinchuang Group Co., Ltd. and its subsidiary Shandong Jinchuang Co., Ltd. to Shandong Gold Group Penglai Mining Co., Ltd. through a compensated transfer.

Note 3: The goodwill arising from the acquisition of Minera Andina Del Sol S.R.L. by the Company's Hong Kong subsidiary in June 2017 amounted to USD153,956,000.00. During the current period, exchange rate fluctuations resulted in an increase of RMB4,587,888.80 in the RMB equivalent value.

Note 4: Pursuant to the Reply of the Shandong Provincial People's Government on the Integrated Plan for Gold Mineral Resources in Eight Districts of Yantai City (Lu Zheng Zi [2021] No. 133) and the Optimized Adjustment Plan for the Integration of Laizhou Gold Mine Mineral Resources, Laizhou Jinsheng Mining Investment Co., Ltd. (萊州金盛礦業投資有限公司), a subordinate entity of the Company's subsidiary Shandong Dikuang Laijin Holdings Co., Ltd. integrated the mining rights for the Zhuguolijia Gold Mine to Shandong Gold Mining (Laizhou) Co., Ltd. through a compensated transfer in 2022.

(2). Provision for goodwill impairment

✓ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Name of investee or matters for goodwill to arise	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Accrual	Others	Disposal	Others	
Fujian Zhenghe County Yuanxin Mining Co., Ltd.	97,966,184.04					97,966,184.04
Shandong Gold Group Penglai Mining Co., Ltd.	42,173,675.85					42,173,675.85
Total	140,139,859.89					140,139,859.89

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

27. Goodwill (Continued)

(3). Information about the asset group or combination of asset groups to which the goodwill is attributable

✓ Applicable ☐ N/A

Name	Constitution and basis of the asset group or combination	Operating segment and basis	Consistent with prior years or not
Chifeng Chaihulanzi Gold Mining Co., Ltd.	The self-produced gold products mined and produced by Chifeng Chaihulanzi Gold Mining Co., Ltd. have an active market and generate independent cash flows, thus its operational long-term assets can be identified as a separate asset group.	Self-produced gold segment	Yes
Xincheng Gold Mine of the Company	The self-produced gold products mined and produced by Xincheng Gold Mine of the Company have an active market and generate independent cash flows, thus the corresponding operational long-term assets of the Qujia Area Gold Mine can be identified as a separate asset group.	Self-produced gold segment	Yes
Xihe Zhongbao Mining Co., Ltd.	The self-produced gold products mined and produced by Xihe Zhongbao Mining Co., Ltd. have an active market and generate independent cash flows, thus its operational long-term assets can be identified as a separate asset group.	Self-produced gold segment	Yes

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

27. Goodwill (Continued)

(3). Information about the asset group or combination of asset groups to which the goodwill is attributable (Continued)

Name	Constitution and basis of the asset group or combination	Operating segment and basis	Consistent with prior years or not
Shandong Gold Group Penglai Mining Co., Ltd.	The self-produced gold products mined and produced by Shandong Gold Group Penglai Mining Co., Ltd. have an active market and generate independent cash flows, thus its operational long-term assets can be identified as a separate asset group.	Self-produced gold segment	Yes
Shandong Gold Guilaizhuang Mining Co., Ltd.	The self-produced gold products mined and produced by Shandong Gold Guilaizhuang Mining Co., Ltd. have an active market and generate independent cash flows, thus its operational long-term assets can be identified as a separate asset group.	Self-produced gold segment	Yes
Minera Andina Del Sol S.R.L	The self-produced gold products mined and produced by Minera Andina Del Sol S.R.L's Veladero Gold Mine in San Juan province of Argentina have an active market and generate independent cash flows, thus its operational long-term assets can be identified as a separate asset group.	Self-produced gold segment	Yes

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

27. Goodwill (Continued)

(3). Information about the asset group or combination of asset groups to which the goodwill is attributable (Continued)

Name	Constitution and basis of the asset group or combination	Operating segment and basis	Consistent with prior years or not
Shanjin Futures Co., Ltd. (山金期貨有限公司)	Shanjin Futures Co., Ltd. is primarily engaged in futures brokerage business, which can generate independent cash flows, thus its operational long-term assets can be identified as a separate asset group.	Investment management segment	Yes
Shandong Dikuang Laijin Holdings Co., Ltd.	The self-produced gold products from the asset group related to the goodwill of Shandong Dikuang Laijin Holdings Co., Ltd. have an active market and generate independent cash flows, thus its corresponding operational long-term assets can be identified as a separate asset group.	Self-produced gold segment	Yes
Hengxing Gold Holding Company Limited	The core asset of Hengxing Gold Holding Company Limited is its subsidiary, Xinjiang Jinchuan Mining Co., Ltd. The self-produced gold products from it have an active market and generate independent cash flows, thus its corresponding operational long-term assets can be identified as a separate asset group.	Self-produced gold segment	Yes

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

27. Goodwill (Continued)

(3). Information about the asset group or combination of asset groups to which the goodwill is attributable (Continued)

Name	Constitution and basis of the asset group or combination	Operating segment and basis	Consistent with prior years or not
Shanjin International Gold Co., Ltd.	The asset group primarily consists of five mining companies under Shanjin International, namely Yulong Mining, Heihe Luoke, Jilin Banmiaozhi, Qinghai Dachaidan and Huasheng Gold Mine, as well as one trading company, Shanghai Shenghong. The entire Shanjin International operating segment benefits from the synergies generated by the Company's acquisitions, and it is difficult to allocate these benefits to individual asset groups. Therefore, goodwill is allocated to the combination of asset groups.	For internal management purposes, the combination of asset groups belongs to the operating segment of Shanjin International	Yes
Inner Mongolia Shanjin Changtai Mining Co., Ltd.	The self-produced gold products mined and produced by Baotou Changtai Mining Co., Ltd. have an active market and generate independent cash flows, thus its operational long-term assets can be identified as a separate asset group.	Self-produced gold segment	Yes
Shandong Gold Group Penglai Mining Co., Ltd.	The operational long-term assets related to the Penglai Mining Integration Area	Self-produced gold segment	Yes

Changes in asset group or combination of asset groups

☐ Applicable ☒ N/A

Other explanations

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

27. Goodwill *(Continued)*

(4). The specific method used to determine the recoverable amount

The recoverable amount is determined by reference to the net fair value less cost of disposal

☐ Applicable ☒ N/A

The recoverable amount is determined based on the present value of estimated future cash flows

☐ Applicable ☒ N/A

Reasons for significant inconsistency between the aforesaid information and the information used by the previous impairment test or external information

☐ Applicable ☒ N/A

Reasons for significant inconsistency between the information used by the Company for previous impairment tests and the facts for the corresponding years

☐ Applicable ☒ N/A

(5). Performance undertaking and corresponding impairment of goodwill

Goodwill was formed when a performance undertaking existed and the reporting period or the previous period fell within the performance undertaking period

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

28. Long-term deferred expenses

✓ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Opening balance	Increased amount in the current period	Amortization amount in the current period	Other reductions	Closing balance
Environmental governance fee	14,088,508.84		1,976,027.70		12,112,481.14
Special maintenance funds	3,213,476.94		87,730.74		3,125,746.20
Costs of improvements to fixed assets	14,206,510.92	1,680,500.04	2,639,870.10		13,247,140.86
Highway outside the mining area	13,084,895.53		496,469.67		12,588,425.86
Asset maintenance expenditure	6,713,897.15	228,532.11	1,311,011.06		5,631,418.20
Electric facilities supporting fee	5,521,620.87		503,866.39		5,017,754.48
Others	15,830,837.17	15,345,019.91	5,758,655.32		25,417,201.76
Total	72,659,747.42	17,254,052.06	12,773,630.98		77,140,168.50

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

29. Deferred income tax assets/deferred income tax liabilities

(1). Deferred income tax assets not offset

✓ Applicable □ N/A

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Provision for assets impairment	418,009,692.45	102,163,901.77	418,254,600.13	101,703,399.00
Unrealized profit in intra-group transactions	1,530,852,740.35	382,713,185.09	1,494,452,327.66	373,613,081.93
Deductible losses	537,385,738.51	129,808,072.46	571,598,733.44	140,613,060.98
Changes in fair value of financial assets held for trading	42,461,086.37	10,615,271.60	30,134,957.90	6,965,952.97
Changes in fair value of other debt investments	4,000,000.00	1,000,000.00	4,000,000.00	1,000,000.00
Differences in accumulated depreciation between accounting and tax law	713,583,812.23	142,263,245.10	721,288,660.50	143,930,094.46
Accrued but unpaid expenses and others	13,323,628.11	3,320,967.04	2,647,929.60	661,742.41
Changes in fair value of other equity instrument investments	3,107,863.60	776,965.90	3,506,453.63	876,613.40
Deferred income	1,416,918.96	354,229.74	1,416,918.96	354,229.74
Expensed exploration expenditures	3,953,528.29	593,029.24	3,953,528.29	593,029.24
Estimated liabilities	406,919,435.21	82,786,151.61	437,474,949.35	89,220,573.84
Lease liabilities	140,108,783.87	32,455,225.45	133,374,590.04	31,280,217.00
Long-term payables	106,780,512.47	26,695,128.14	123,775,435.86	30,943,858.96
Total	3,921,903,740.42	915,545,373.14	3,945,879,085.36	921,755,853.93

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

29. Deferred income tax assets/deferred income tax liabilities (Continued)

(2). Deferred income tax liabilities not offset

✓ Applicable □ N/A

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Appreciation of the combined asset valuation of enterprises not under the same control	15,311,618,904.34	3,332,742,305.95	16,160,692,681.90	3,528,711,182.81
Changes in fair value of other debt investments				
Changes in fair value of other equity instrument investments	16,692,326.07	4,114,463.65	7,019,304.19	1,181,147.02
Valuation of trading financial instruments and derivative financial instruments	795,234,506.60	198,062,569.63	695,720,971.15	173,777,469.93
Right-of-use assets	119,052,864.71	27,160,911.10	112,876,187.43	25,968,772.65
Intangible assets expenditure	252,560,932.73	51,443,216.06	279,121,854.87	57,340,519.52
Intangible assets – reclamation fees	266,350,785.10	47,804,471.84	284,700,766.31	50,658,027.89
Accumulated depreciation and tax law differences	6,889,921,897.69	2,376,283,762.71	6,800,890,837.54	2,342,703,145.03
Total	23,651,432,217.24	6,037,611,700.94	24,341,022,603.39	6,180,340,264.85

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

29. Deferred income tax assets/deferred income tax liabilities (Continued)

(3). Deferred tax assets or liabilities stated on a net basis after offset

☐ Applicable ☒ N/A

(4). Breakdown of deferred income tax assets not recognized

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Deductible temporary differences	384,198,079.60	171,944,776.05
Deductible losses	2,071,868,719.01	2,806,554,867.01
Total	2,456,066,798.61	2,978,499,643.06

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

29. Deferred income tax assets/deferred income tax liabilities (Continued)

- (5). Deductible loss for which no deferred income tax assets are recognised will become due in the following years

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Year	Closing amount	Opening amount	Remarks
2025		3,809,904.32	
2026	565,129,314.65	565,129,914.65	
2027	560,164,742.07	568,700,002.30	
2028	221,269,104.90	304,139,397.02	
2029	272,343,093.05	315,655,155.20	
2030	34,348,217.85	37,485,280.46	
2031	748,520,596.23	791,020,239.94	
2032	171,014,360.37	176,004,913.10	
2033	17,712,086.22	17,712,086.22	
2034	16,046,628.51	26,897,973.80	
2035	28,581,178.39		
Total	2,635,129,322.24	2,806,554,867.01	/

Other explanations:

☒ Applicable ☐ N/A

The Company (parent company) and its subsidiaries that meet the criteria for high-tech enterprise certification may carry forward tax losses for up to 10 years.

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

30. Other non-current assets

✓ Applicable □ N/A

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Contract acquisition cost						
Contract performance cost						
Cost of return receivables						
Contract assets						
Payment for project	281,808,439.81		281,808,439.81	262,415,899.48		262,415,899.48
Payment for equipment	326,524,666.06		326,524,666.06	159,194,118.60		159,194,118.60
Advance payment for land	44,605,000.00		44,605,000.00	79,952,264.14	–	79,952,264.14
Input tax to be deducted	321,394,396.87		321,394,396.87	296,433,320.29		296,433,320.29
Long-term inventory	845,959,006.49		845,959,006.49	921,140,309.58		921,140,309.58
Land compensation payment	22,098,815.33		22,098,815.33	22,098,815.33		22,098,815.33
Others	10,880,292.75		10,880,292.75	11,301,949.86		11,301,949.86
Total	1,853,270,617.31		1,853,270,617.31	1,752,536,677.28		1,752,536,677.28

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

31. Assets with restricted ownership or right of use

✓ Applicable □ N/A

Unit: Yuan Currency: RMB

Item	Book balance	Closing Carrying amount	Type of restriction	Restricted situation	Book balance	Opening Carrying amount	Type of restriction	Restricted situation
Monetary capital	1,445,127,230.35	1,445,127,230.35	Others	Security deposits for land reclamation and environmental governance/security deposits, etc.	1,145,644,387.53	1,145,644,387.53	Others	Security deposits for land reclamation and environmental governance/security deposits, etc.
Notes receivable								
Inventories	34,067,940.22	34,067,940.22	Pledged					
Pledged				Pledge for financing	146,898,199.82	146,898,199.82	Pledged	Pledge for financing
Including: Data resources								
Fixed assets								
Intangible assets								
Including: Data resources								
Other non-current assets	1,329,800.00	1,329,800.00	Frozen	Advanced security deposit for exploration rights, the balance of which will be frozen and supervised according to a three-party supervision agreement signed by Jilin Jincheng Shengxin Mining Co., Ltd. (吉林金誠盛鑫礦業有限公司), Team 602 of Jilin Provincial Non-ferrous Metal Geological Exploration Bureau and its account bank	1,329,800.00	1,329,800.00	Frozen	Advanced security deposit for exploration rights, the balance of which will be frozen and supervised according to a three-party supervision agreement signed by Jilin Jincheng Shengxin Mining Co., Ltd. (吉林金誠盛鑫礦業有限公司), Team 602 of Jilin Provincial Non-ferrous Metal Geological Exploration Bureau and its account bank
Total	1,480,524,970.57	1,480,524,970.57	/	/	1,293,872,387.35	1,293,872,387.35	/	/

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

32. Short-term borrowing

(1). Classification of short-term borrowing

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Pledged borrowings and interest		391,029.04
Secured borrowings and interest		
Guaranteed borrowings and interest	10,096,996,792.94	9,998,883,912.97
Credit borrowings and interest	8,181,323,054.17	6,539,318,230.87
Gold lease and interest	11,108,489,955.07	9,730,903,584.85
Total	29,386,809,802.18	26,269,496,757.73

(2). Overdue but unpaid short-term borrowings

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

33. Financial liabilities held for trading

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Opening balance	Closing balance	Designated reasons and basis
Financial liabilities held for trading			/
Including:			
Financial liabilities designated as at fair value through profit or loss	864,631,222.45	752,787,436.91	
Including:			
Payables for gold leasing business	864,631,222.45	658,249,023.19	
Interest of other holders of structured entities	7,186,194.97	14,386,867.91	
Gold forward		80,151,545.81	
Total	864,631,222.45	752,787,436.91	/

Other explanations:

☒ Applicable ☐ N/A

The Group leases gold from banks for external sales or leases. On the maturity date, the Group repurchases the same quantity and specification of gold through the Shanghai Gold Exchange to repay the bank and pays the agreed rental fees. The lease term is within one year (inclusive). On 30 June 2025, the balance of the financial liability amounted to RMB658,249,023.19.

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

34. Derivative financial liabilities

✓ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Commodity options contract	10,870,100.97	9,934,794.49
Embedded derivatives	31,265,828.05	
Total	42,135,929.02	9,934,794.49

Other explanations:

Derivative financial instruments primarily include transactions undertaken by the Group in futures markets for the purpose of hedging risks associated with fluctuations in spot prices. These positions are actively managed through hedging transactions with external parties by the Group to ensure the Group's net exposures are within acceptable risk levels. The Group also uses derivative financial instruments for proprietary trading purposes and to manage its own asset and liability and structural positions. Derivative financial instruments classified as held for trading are mainly those for risk management purposes do not meet the criteria for hedge accounting.

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

35. Bills payable

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Type	Closing balance	Opening balance
Trade acceptance	598,343,197.07	945,008,128.38
Bank acceptance	2,083,309,158.77	1,406,615,395.45
Letter of credit	598,503,914.58	516,000,000.00
Total	3,280,156,270.42	2,867,623,523.83

At the end of the period, the total bills payable that are due but unpaid amounted to RMB0. Reason for default: Nil

36. Accounts payable

(1). Accounts payable presented

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Within 1 year	10,264,176,611.47	13,141,597,538.94
Over 1 year	3,986,649,175.80	958,358,101.64
Total	14,250,825,787.27	14,099,955,640.58

At the end of the Reporting Period, the aging analysis of accounts payable according to invoice date is as above.

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

36. Accounts payable (Continued)

(2). Significant accounts payable aged more than 1 year or overdue

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Closing balance	Reasons for non-payment or carryover
Unit 1	3,421,044,245.23	Not due for payment
Total	3,421,044,245.23	

Other explanations:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

37. Advances received

(1). Advances received presented

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Advance rent receipts	738,872.50	656,585.26
Total	738,872.50	656,585.26

(2). Significant advance received aged more than 1 year

☐ Applicable ☒ N/A

(3). The amount of and reason for the significant change in the carrying amount during the Reporting Period

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

38. Contract liability

(1). Contract liability

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Advances received for goods sales	779,281,989.56	427,135,295.37
Total	779,281,989.56	427,135,295.37

(2). Significant contract liabilities aged more than 1 year

☐ Applicable ☒ N/A

(3). The amount of and reason for the significant change in the carrying amount during the Reporting Period

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

39. Staff remuneration payables

(1). Staff remuneration payables presented

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I. Short-term remuneration	605,062,556.10	2,732,019,475.25	2,296,698,256.02	1,040,383,775.33
II. Post-employment benefits – defined contribution plan	21,113,043.98	425,443,067.66	422,690,353.64	23,865,758.00
III. Dismissal benefits	7,655.69	952,634.26	960,289.95	
IV. Other benefits due within one year				
Total	626,183,255.77	3,158,415,177.17	2,720,348,899.61	1,064,249,533.33

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

39. Staff remuneration payables (Continued)

(2). Breakdown of short-term remuneration

✓ Applicable □ N/A

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I. Wages, bonuses, allowances and subsidy	384,373,683.55	2,025,412,821.17	1,649,870,265.57	759,916,239.15
II. Employee benefits	298,440.00	210,696,048.12	142,592,365.62	68,402,122.50
III. Social insurance premiums	48,390,063.62	235,492,012.49	259,032,518.21	24,849,557.90
Of which: Medical insurance premiums	813,120.40	134,941,863.91	134,730,822.61	1,024,161.70
Work injury insurance premiums	11,807.24	21,980,835.72	21,918,213.84	74,429.12
Maternity insurance premiums	—	24,535.43	24,535.43	—
Others	47,565,135.98	78,544,777.43	102,358,946.33	23,750,967.08
IV. Housing provident fund	3,425,271.79	167,498,433.23	161,996,210.60	8,927,494.42
V. Trade union funds and employee education funds	137,660,206.47	65,841,140.13	56,879,177.30	146,622,169.30
VI. Short-term absence with payment				
VII. Short-term profit sharing plan	956,843.70	296,443.71		1,253,287.41
VIII. Others	29,958,046.97	26,782,576.40	26,327,718.72	30,412,904.65
Total	605,062,556.10	2,732,019,475.25	2,296,698,256.02	1,040,383,775.33

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

39. Staff remuneration payables (Continued)

(3). Breakdown of defined contribution plan

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
1. Basic endowment insurance	4,765,491.56	264,867,424.96	264,218,248.82	5,414,667.70
2. Unemployment insurance premium	71,572.50	10,260,742.81	10,251,469.57	80,845.74
3. Enterprise annuity payment	11,681,551.71	124,681,452.99	122,942,864.68	13,420,140.02
4. Others	4,594,428.21	25,633,446.90	25,277,770.57	4,950,104.54
Total	21,113,043.98	425,443,067.66	422,690,353.64	23,865,758.00

Other explanations:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

40. Taxes payable

✓ Applicable □ N/A

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
VAT	32,393,881.53	28,118,195.55
Consumption tax	1,429.00	16,239.99
Business tax		
Corporate income tax	1,199,695,813.27	731,326,839.70
Personal income tax	12,611,265.21	47,698,558.55
Urban maintenance and construction tax	1,637,391.50	1,535,466.77
Resource tax	129,043,944.04	114,295,619.38
Education surcharge	956,538.03	793,510.12
Local education surcharges	637,691.97	529,006.73
Property tax	5,190,278.86	6,045,439.63
Land use tax	4,032,392.23	4,276,617.05
Stamp duty	7,822,015.76	15,309,635.94
Withhold and transfer tax	2,435,235.46	3,714,241.06
Vehicle and vessel use tax	6,468.00	1,107,167.58
Local water conservancy construction fund	286,409.89	205,104.37
Water resource tax	3,714,574.07	3,925,838.90
Environmental protection tax	111,255.52	242,335.98
Water and soil conservation costs	4,178,647.70	2,017,076.34
Others	3,219,203.22	942,239.17
Total	1,407,974,435.26	962,099,132.81

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

41. Other payables

(1). Presentation of item

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interests payable		
Dividends payable	808,455,799.38	128,982,745.71
Other payables	9,390,549,681.43	9,015,448,715.12
Total	10,199,005,480.81	9,144,431,460.83

(2). Interests payable

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

41. Other payables (Continued)

(3). Dividends payable

✓ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Dividends on ordinary shares		
Preferred share/perpetual bond dividends classified as equity instruments		
Preferred share/perpetual bond dividends		
Jinan Yuquan Development Centre (濟南玉泉發展中心)	168,300.00	168,300.00
Shandong Gold Group Co., Ltd. (山東黃金集團有限公司)	240,289,385.89	450,111.46
SDG Group Laizhou Mining Co., Ltd. (山東黃金集團萊州礦業有限公司)	22,055,461.40	22,055,461.40
Chifeng Chaihulanzhi Gold Mining Co., Ltd. (individual shareholder)	3,706,794.00	21,181,680.00
Tianshui Mineral Exploration Institute of Gansu Provincial Non-ferrous Metal Geological Exploration Bureau (甘肅省有色金屬地質勘察局天水礦產勘查院)	5,854,532.14	5,854,532.14
Gansu Xihe Zhongbao Mining Co., Ltd. (individual shareholder)	25,498,270.68	29,272,660.71
Dachaidan Administrative Committee State-owned Assets Investment Operation Co., Ltd. (大柴旦行政委員會國有資產投資運營有限公司)		25,000,000.00
The First Geological Survey Institute of Qinghai Province (青海省第一地質勘查院)		25,000,000.00
Inner Mongolia Region No. 10 Geological and Mineral Exploration and Development Co., Ltd. (內蒙古第十地質礦產勘查開發有限責任公司)	56,198,580.00	
Inner Mongolia Geological Mining (Group) Company Limited (內蒙古地質礦產(集團)有限責任公司)	32,456,180.00	
Shandong Gold Non-ferrous Metal Mine Group Co., Ltd. (山東黃金有色礦業集團有限公司)	15,235,395.28	
Shandong Gold Resources Development Co., Ltd.	39,719,063.25	
Shandong Gold Group Qingdao Gold Co., Ltd.	4,657,139.24	
SDG (Beijing) Industry Investment Co., Ltd.	482,042.66	
Shandong Gold Mining Co., Ltd. (minority shareholder)	362,134,654.84	
Total	808,455,799.38	128,982,745.71

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

41. Other payables (Continued)

(4). Other payables

Breakdown of other payables by the nature of payment

✓ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Quality guarantee deposits	725,336,148.85	714,294,520.68
Medical expenses	302,290.19	303,724.69
Borrowings and advance payments	1,618,425,133.49	1,583,967,661.87
Working funds for Party building	44,998,672.44	45,852,079.94
Temporary receipts payable	20,082,790.19	36,524,887.51
Mining rights payment	142,675,944.16	218,819,859.80
Deposits	4,455,685.24	4,726,304.74
Equity payment	7,353,086.03	7,353,086.03
Land lease payables	60,996,549.72	43,589,049.00
Payment for engineering equipment	257,603,954.68	165,802,963.34
Futures risk reserve	52,008,630.40	51,017,443.01
Currency deposits payable	5,837,454,754.20	4,339,318,281.25
Security deposit	383,236,685.86	1,618,705,789.40
Rent	5,274,251.18	1,450,800.00
Others	230,345,104.80	183,722,263.86
Total	9,390,549,681.43	9,015,448,715.12

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

41. Other payables (Continued)

(4). Other payables (Continued)

Significant other payables aged more than 1 year or overdue

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Closing balance	Reasons for non-payment or carryover
Unit 1	760,000,000.00	Payment terms have not been met
Unit 2	178,000,000.00	Payment terms have not been met
Total	938,000,000.00	/

Other explanations:

☐ Applicable ☒ N/A

42. Liabilities held for sale

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

43. Non-current liabilities due within one year

✓ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Long-term borrowings due within one year	7,269,848,395.78	6,409,700,000.00
Bonds payable due within one year		
Long-term payables due within one year	188,860,033.03	331,969,793.70
Lease liabilities due within one year	51,287,252.43	69,506,525.77
Interest on long-term borrowings due within one year	25,406,955.92	29,948,010.90
Interest on bonds payable due within one year	51,688,767.12	57,008,767.12
Other non-current liabilities due within one year		
Total	7,587,091,404.28	6,898,133,097.49

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

44. Other current liabilities

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Short-term bonds payable		
Returns payable		
Tax on items to be offset	23,955,786.40	46,020,062.09
Sale of repurchase financial assets		103,397,309.30
Reclassification of notes	216,495,131.95	66,121,496.70
Total	240,450,918.35	215,538,868.09

Changes in short-term bonds payable:

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

45. Long-term borrowing

(1). Classification of long-term borrowings

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Pledged borrowings		363,840.16
Secured borrowings		
Guaranteed borrowings	2,726,850,000.00	2,736,850,000.00
Credit borrowings	20,185,761,604.22	23,872,480,426.00
Total	22,912,611,604.22	26,609,694,266.16

Other explanations

☐ Applicable ☒ N/A

46. Bonds payable

(1). Bonds payable

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Bonds payable	4,051,688,767.12	4,057,008,767.12
Less: Bonds payable due within one year	51,688,767.12	57,008,767.12
Total	4,000,000,000.00	4,000,000,000.00

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

46. Bonds payable (Continued)

(2). Specific circumstances of bonds payable: (excluding other financial instruments such as preferred shares and perpetual bonds classified as financial liabilities)

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Name of Bonds	Par Value (RMB)	Coupon		Bond Term	Issue Amount	Opening Balance	Issue in the Current Period	Amortization		Repayment in the Current Period	Closing Balance	Default or Not
		Rates (%)	Issue Date					Interest at Par Value	of Premium/Discount			
24 Lujin K1	100	2.8	2024-3-27	5 years	2,000,000,000.00	2,000,000,000.00		70,728,767.12		56,000,000.00	2,014,728,767.12	No
24 Lujin K3	100	2.12	2024-9-12	3 years	1,000,000,000.00	1,000,000,000.00		16,960,000.00			1,016,960,000.00	No
24 Lujin K4	100	2.50	2024-9-12	10 years	1,000,000,000.00	1,000,000,000.00		20,000,000.00			1,020,000,000.00	No
Tota	/	/ /	/		4,000,000,000.00	4,000,000,000.00		107,688,767.12		56,000,000.00	4,051,688,767.12	/

(3). Explanation on convertible corporate bonds

☐ Applicable ☒ N/A

Accounting for conversion rights and basis of judgment

☐ Applicable ☒ N/A

(4). Explanation on the other financial instrument classified as financial liabilities

Basic information of other financial instruments such as preferred shares and perpetual bonds outstanding as at the end of the period

☐ Applicable ☒ N/A

Table of changes in financial instruments such as preferred shares and perpetual bonds outstanding as at the end of the period

☐ Applicable ☒ N/A

Description on basis of dividing other financial instruments into financial liabilities

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47. Lease liabilities

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Lease liabilities	211,866,919.49	193,875,809.20
Less: Lease liabilities due within one year	51,287,252.43	69,506,525.77
Total	160,579,667.06	124,369,283.43

48. Long-term payables

Presentation of item

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Long-term payables	1,543,939,763.91	1,634,646,763.69
Special payables	3,455,500.00	3,455,500.00
Total	1,547,395,263.91	1,638,102,263.69

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

48. Long-term payables (Continued)

Long-term payables

✓ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Royalties on mining rights	1,528,933,876.96	1,627,178,352.92
Merger and acquisition funds	15,005,886.95	7,468,410.77
Total	1,543,939,763.91	1,634,646,763.69

Special payables

✓ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Causes
Power supply separation for Water/Electricity/Gas Supply and Property Management in Jiaojia	1,821,600.00			1,821,600.00	Fiscal subsidy funds for Water/Electricity/Gas Supply and Property Management
Fiscal subsidy funds for the separation and handover of "Water/Electricity/Gas Supply and Property Management" in Sanshandao	1,633,900.00			1,633,900.00	Fiscal subsidy funds for Water/Electricity/Gas Supply and Property Management
Total	3,455,500.00			3,455,500.00	/

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

49. Long-term staff remuneration payables

☐ Applicable ☒ N/A

50. Accrued liabilities

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance	Causes
External guarantees provided			
Pending litigations			
Product quality guarantee			
Restructuring obligations			
Pending loss contracts			
Refund payable			
Others			
Provision for environmental rehabilitation and restoration of mines	1,100,440,764.05	1,119,105,218.62	
Total	1,100,440,764.05	1,119,105,218.62	/

Other explanations, including important assumptions and estimation explanations related to significant estimated liabilities:

The Group accrues land reclamation and environmental governance fees based on the area of damaged land, estimated reclamation unit price, and reclaimed expenses; MAS, joint operating enterprise of the Group accrues the provision for environmental rehabilitation and restoration of mines based on environmental restoration costs expected to be incurred after mine closure.

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

51. Deferred income

Deferred income

✓ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Causes
Government subsidies	12,152,191.25	2,657,000.00	358,775.62	14,450,415.63	Government subsidies
Total	12,152,191.25	2,657,000.00	358,775.62	14,450,415.63	/

Other explanations:

✓ Applicable ☐ N/A

Government subsidies item	Opening balance	Amount of new subsidy in the current year	Amount included in non-operating revenue in the current year	Amount included in other income in the current year	Amount of offsetting costs and expenses in the current year	Other changes	Closing balance	Related to assets/related to income
Subsidies for winter clean heating facility renovation	2,303,823.13			40,774.74			2,263,048.39	Related to assets
Provincial fiscal appropriations	500,000.00						500,000.00	Related to income
Mechanism and intelligent quantitative warning of mining induced fault zone slip and rockburst disasters	225,589.28	1,500,000.00					1,725,589.28	Related to income
Houchuanba Si'ergou Mine safety and green information project (後川壩四兒溝礦山安全綠色信息化工程)	4,331,998.37						4,331,998.37	Related to assets
Construction of Intellectual Property Operation and Service System	1,371,951.20						1,371,951.20	Related to assets
Operating expenses for the rehabilitation station of the prevention and treatment hospital	458,888.96			32,777.76			426,111.20	Related to assets
Others (related to assets)	1,546,619.44			27,253.08			1,519,366.36	Related to assets
Others (related to income)	1,413,320.87	1,157,000.00		257,970.04			2,312,350.83	Related to income
Total	12,152,191.25	2,657,000.00		358,775.62			14,450,415.63	

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

52. Other non-current liabilities

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Contract liabilities		
Provisions for litigation and other matters	18,014,763.29	20,348,804.07
Total	18,014,763.29	20,348,804.07

53. Share capital

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

	Opening balance	Issuance of new shares	Increase or decrease (+, -)				Closing balance
			Bonus issue	Conversion from reserve	Other	Subtotal	
Total number of shares	4,473,429,525.00						4,473,429,525.00

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

54. Other equity instruments

(1). Basic information about outstanding preference shares, perpetual bonds and other financial instruments at the end of the period

✓ Applicable □ N/A

Items	Number	Principal Face Value	Interest rate	Commencement date	Term	Interest Payment Method
Ping An – Shandong Gold Infrastructure Debt Investment Plan – the First Tranche (平安-山東黃金基礎設施債 權投資計劃-第一期)		2,250,000,000.00	4.75%	2021-12-23	5+N	On a quarterly basis
Ping An – Shandong Gold Infrastructure Debt Investment Plan – the Second Tranche (平安-山東黃金基礎設施債 權投資計劃-第二期)		670,000,000.00	4.35%	2022-11-08	5+N	On a quarterly basis
China Credit Trust – Shandong Gold Perpetual Collective Fund Trust Plan (中誠信託-山東黃金股份永續集合資 金信託計劃)		3,000,000,000.00	4.42%	2022-08-08	3+N	On an annual basis
Lu Jin KY01 (魯金KY01)	20,000,000.00	2,000,000,000.00	3.19%	2023-11-17	3+N	On an annual basis
Lu Jin KY02 (魯金KY02)	20,000,000.00	2,000,000,000.00	3.22%	2023-11-27	3+N	On an annual basis
CITIC Trust – Guofeng No. 88 Perpetual Investment Collective Fund Trust Plan (中信信託-國豐88號永續投資集合資 金信託計劃)		3,000,000,000.00	3.23%	2024-12-12	3+N	On a quarterly basis
Chongqing Trust-Shandong Gold Perpetual Collective Fund Trust Plan (重慶信託-山東黃金永續集合資金信 託計劃)		2,500,000,000.00	3.28%	2025-6-25	7+N	On a quarterly basis
Total	40,000,000.00	15,420,000,000.00	-	-	-	-

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

54. Other equity instruments (Continued)

(2). Statement of changes in outstanding preference shares, perpetual bonds and other financial instruments at the end of the period

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Outstanding financial instruments	At the beginning of the period		Increase in the current period		Decrease in the current period		At the end of the period	
	Number	Book value	Number	Book value	Number	Book value	Number	Book value
Ping An - Shandong Gold Infrastructure Debt Investment Plan (平安-山東黃金基礎設施債權投資計劃)		2,924,156,166.67		68,387,833.32		68,765,666.67		2,923,778,333.32
China Credit Trust - Shandong Gold Perpetual Collective Fund Trust Plan (中誠信託-山東黃金股份永續集合資金信託計劃)		3,002,179,726.03		66,668,333.33				3,068,848,059.36
Lu Jin KY01 (魯金KY01)	20,000,000.00	2,006,865,753.42		31,637,808.24			20,000,000.00	2,038,503,561.66
Lu Jin KY02 (魯金KY02)	20,000,000.00	2,005,175,342.47		31,935,342.45			20,000,000.00	2,037,110,684.92
CITIC Trust - Guofeng No. 88 Perpetual Investment Collective Fund Trust Plan (中信信託•國豐88號永續投資集合資金信託計劃)		3,002,960,833.33		48,051,780.81		48,988,333.33		3,002,024,280.81
Chongqing Trust-Shandong Gold Perpetual Collective Fund Trust Plan (重慶信託-山東黃金永續集合資金信託計劃)				2,501,347,945.21				2,501,347,945.21
Ping An - Shandong Gold Infrastructure Debt Investment Plan (平安-山東黃金基礎設施債權投資計劃)		2,924,156,166.67		68,387,833.32		68,765,666.67		2,923,778,333.32
Total	40,000,000.00	12,941,337,821.92		2,748,029,043.36		117,754,000.00	40,000,000.00	15,571,612,865.28

Change in other financial instruments during the period, reasons for change and relevant accounting basis:

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

55. Capital reserve

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Capital premium (share capital premium)	3,071,051,346.39		4,097,707.78	3,066,953,638.61
Other capital reserves	1,181,763.44			1,181,763.44
Total	3,072,233,109.83		4,097,707.78	3,068,135,402.05

56. Treasury shares

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

57. Other comprehensive income

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Items	Opening balance	Amount for the current period					Closing balance
		Amount before income tax for the current period	Less: Amount transferred to profit or loss from other comprehensive income	Less: Amount transferred to retained profits from other comprehensive income	Less: Income tax expense	Amount attributable to the parent after tax	
I. Other comprehensive income that cannot be reclassified into profit or loss	-375,000.00						-375,000.00
Including: Changes of the re-measurement of defined benefit plans							
Other comprehensive income that cannot be transferred to profit or loss under the equity method							
Change in fair value arising from investments in other equity instruments	-375,000.00						-375,000.00
Change in fair value arising from the enterprise's own credit risk							
II. Other comprehensive income that will be reclassified into profit or loss	118,055,305.51				-74,255,578.51		43,799,727.00
Including: Other comprehensive income that can be transferred to profit or loss under the equity method							
Change in fair value of other debt investments							
Financial assets reclassified into other comprehensive income							
Credit impairment provision for other debt investments							
Hedging reserves from cash flows							
Differences on translation of foreign currency financial statements	118,055,305.51				-74,255,578.51		43,799,727.00
Total other comprehensive income	117,680,305.51				-74,255,578.51		43,424,727.00

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

58. Special reserve

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Production safety expenses	99,191,476.90	93,481,191.68	72,806,296.42	119,866,372.16
Total	99,191,476.90	93,481,191.68	72,806,296.42	119,866,372.16

59. Surplus reserve

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Statutory surplus reserve	1,495,482,054.17			1,495,482,054.17
Discretionary surplus reserve				
Reserve funds				
Enterprise development fund				
Others				
Total	1,495,482,054.17			1,495,482,054.17

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

60. Undistributed profit

✓ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Items	Current period	Last year
Undistributed profit at the end of the last period before adjustment	15,572,448,966.97	14,369,371,415.15
Total adjusted undistributed profit at the beginning of the period (add+, less-)		
Adjusted undistributed profit at the beginning of the period	15,572,448,966.97	14,369,371,415.15
Add: Net profit attributable to owners of the parent company in the current period	2,808,157,860.93	2,951,551,189.32
Less: Appropriation of statutory surplus reserve		357,001,724.35
Appropriation of discretionary surplus reserve		
Withdrawal of general risk reserve		2,483,796.54
Dividends payable on ordinary shares	662,067,569.70	984,154,495.50
Ordinary share dividends transferred to share capital		
Others	248,029,043.36	404,833,621.11
Undistributed profit at the end of the period	17,470,510,214.84	15,572,448,966.97

The breakdown of adjustment for undistributed profits at the beginning of the period:

1. The effect of the retrospective adjustments arising from Accounting Standards for Business Enterprises and their new related requirements on undistributed profits at the beginning of the period amounted to RMB0.
2. The effect of changes in accounting policies on undistributed profits at the beginning of the period amounted to RMB0.
3. The effect of corrections of significant accounting errors on undistributed profits at the beginning of the period amounted to RMB0.
4. The effect of the change of the scope of combination under common control on undistributed profits at the beginning of the period amounted to RMB0.
5. The combined effect of other adjustments on undistributed profits at the beginning of the period amounted to RMB0.

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

61. Operating revenue and operating costs

(1). Details of operating revenue and operating costs

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Items	Amount for the current period		Amount for the last period	
	Revenue	Cost	Revenue	Cost
Principal operating activities	56,627,607,478.33	46,776,638,483.94	45,639,532,661.64	39,213,276,848.20
Other operating activities	138,287,877.35	77,576,078.04	133,962,036.41	79,079,024.03
Total	56,765,895,355.68	46,854,214,561.98	45,773,494,698.05	39,292,355,872.23

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

61. Operating revenue and operating costs (Continued)

(2). The disaggregated information of operating revenue and operating costs

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Contract classification	segment		Total	
	Operating revenue	Operating costs	Operating revenue	Operating costs
Type of goods				
Self-produced gold revenue	17,006,208,188.51	8,137,269,698.01	17,006,208,188.51	8,137,269,698.01
Purchased gold revenue	28,462,651,994.72	28,239,950,003.70	28,462,651,994.72	28,239,950,003.70
Small gold bar revenue	4,342,804,369.82	4,238,911,457.94	4,342,804,369.82	4,238,911,457.94
Trade revenue	5,535,415,189.30	5,470,978,081.10	5,535,415,189.30	5,470,978,081.10
Other revenue	1,418,815,613.33	767,105,321.23	1,418,815,613.33	767,105,321.23
By region of operation				
Domestic	50,031,712,668.13	42,050,968,575.42	50,031,712,668.13	42,050,968,575.42
Overseas	6,734,182,687.55	4,803,245,986.56	6,734,182,687.55	4,803,245,986.56
By time of transfer of goods				
Transfer at a point in time	56,758,764,365.88	46,847,253,646.05	56,758,764,365.88	46,847,253,646.05
Transfer within a certain period of time	7,130,989.80	6,960,915.93	7,130,989.80	6,960,915.93
Total	56,765,895,355.68	46,854,214,561.98	56,765,895,355.68	46,854,214,561.98

Other explanations

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

61. Operating revenue and operating costs *(Continued)*

(3). Explanation on performance obligations

☐ Applicable ☒ N/A

(4). Explanation on allocation to the remaining performance obligations

☐ Applicable ☒ N/A

(5). Change in significant contracts or price adjustment of significant transactions

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

62. Taxes and surcharges

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the last period
Consumption tax		31,294.19
turnover tax		
Urban maintenance and construction tax	4,419,101.93	3,214,106.86
Education surcharges	2,573,668.11	1,802,844.07
Resource tax	726,154,072.86	486,660,112.68
Property tax	17,310,212.35	15,862,259.25
Land use tax	13,012,600.35	11,585,999.95
Vehicle and vessel use tax	255,758.64	343,527.33
Stamp duty	27,528,411.26	26,286,371.09
Local education surcharges	1,715,778.66	1,201,895.99
Local water conservancy construction fund		557,767.76
Water resource tax	34,119,502.19	98,165,120.90
Environmental protection tax	2,235,188.43	433,558.77
Export customs duties		133,420,216.54
Others	2,002,135.15	131,771.73
Total	831,326,429.93	779,696,847.11

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

63. Selling expenses

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the last period
Employee remuneration	18,865,734.76	18,665,817.31
Packaging expenses	584,629.26	102,364.85
Transportation expenses	4,983,466.56	1,468,809.72
Gold trading expenses	12,333,263.27	13,959,661.03
Travel expenses	983,405.71	1,304,319.91
Storage fees	278,018.03	1,228,146.03
Sales commission	23,148,794.16	27,269,967.75
Others	15,200,843.69	19,113,697.71
Total	76,378,155.44	83,112,784.31

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

64. Administrative expenses

✓ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the last period
Employee remuneration	951,873,416.23	775,284,866.73
Amortization of intangible assets	49,145,668.59	42,515,975.92
Depreciation expenses	195,284,659.90	118,925,527.63
Maintenance fees	22,036,885.99	13,778,047.23
Promotion expenses	19,134,280.93	41,109,214.59
Travel expenses	10,793,792.31	7,122,735.82
Office expenses	8,610,498.74	3,270,883.55
Agency and consulting fees	144,247,228.04	37,970,795.31
Business hospitality	9,170,553.88	10,149,776.39
Insurance fees	4,278,459.97	18,499,833.96
Rental fees	46,048,552.23	39,500,475.72
Water and electricity charges	25,372,719.18	19,365,774.21
Others	193,886,847.26	168,159,941.03
Total	1,679,883,563.25	1,295,653,848.09

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

65. R&d expenses

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the last period
Wages and salaries	121,518,289.89	101,919,361.23
Direct investment	136,729,879.43	124,712,470.48
Amortization and depreciation	7,353,019.60	5,650,568.39
Outsourced R&D	27,842,816.36	6,314,741.17
Others	18,095,557.48	19,564,856.86
Total	311,539,562.76	258,161,998.13

66. Financial Expenses

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the last period
Interest expenses	941,960,521.01	921,164,760.73
Less: Interest income	68,696,218.50	94,978,875.36
Handling fees	4,136,936.22	73,035,724.83
Add: Exchange losses	36,326,792.07	33,842,829.52
Total	913,728,030.80	933,064,439.72

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

67. Other gains

✓ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Classification by nature	Amount for the current period	Amount for the last period
Employment stabilization subsidy	763,020.08	417,346.00
Provincial and county financial appropriations		1,294,750.00
Individual income tax refund	2,711,688.04	2,817,997.08
Special fund subsidy		2,785,000.00
Science and technology award	1,140,000.00	
Support program of Luohu Industry and Information Technology Bureau		3,500,000.00
Employment and skills training subsidy		46,033.76
High-tech enterprise award	270,000.00	65,000.00
Social security subsidy for newly hired employees		233,170.39
Winter clean heating facility renovation subsidy		40,774.74
Environmental protection special funds	8,300.00	16,757.58
Jinzhou Safety Supervision and Inspection Special Project for Goaf Filling Treatment	10,153.08	10,153.08
Other subsidies	1,185,857.75	14,195.84
Advanced taxpayer award	50,000.00	100,000.00
Taishan leading talent	100,000.00	100,000.00
Pneumoconiosis rehabilitation station special subsidy		35,777.76
Industrial design competition award		107,800.00
Enterprise awards for those entering designated scale and database by Industry and Information Technology Bureau		250,000.00
Special fund subsidy for coal-fired boiler phase-out		210,200.00
Subsidy for non-road mobile machinery phase-out and renewal		49,100.00
Special funds for innovative small and medium-sized enterprises		200,000.00
Reward for phase-out of high-energy-consuming outdated electromechanical equipment		32,000.00
Reward for young engineers in the industrial and information technology sector of the Autonomous Region		180,000.00
Research and Development subsidy funds	467,200.00	
Reward for specialized, refined, unique, and innovative development	30,000.00	
Value-added tax refund	1,303,657.00	
Special Fund for high-quality business development	50,000.00	
Phase-out subsidy for national III diesel trucks	25,200.00	
Support funds for the Free Trade Zone	580,000.00	
Total	8,695,075.95	12,506,056.23

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

68. Investment income

✓ Applicable □ N/A

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the last period
Income from long-term equity investment under equity method	22,920,713.70	14,777,419.11
Investment income from disposal of long-term equity investments		
Investment income from holding financial assets held for trading	57,188,699.87	40,165,607.12
Dividend income from holding investments in other equity instruments		
Interest income from holding debt investments		
Interest income from holding other debt investments		
Investment income from disposal of financial assets held for trading	4,490,098.16	13,875,910.74
Investment income from disposal of investments in other equity instruments		
Investment income from disposal of debt investments		
Investment income from disposal of other debt investments		
Gain on debt restructuring		
Investment income from disposal of financial liabilities at fair value through profit or loss	-11,442,000.00	
Investment income from gold futures and T+D trading	-482,096,067.84	-60,171,239.39
Investment income from disposal of derivative financial instruments	91,162,761.74	-189,555,547.28
Option payoff	-77,207,104.20	-9,166,800.75
Investment income from disposal of standard warehouse receipts	31,864,493.20	
Total	-363,118,405.37	-190,074,650.45

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

69. Gains from net exposure to hedging

☐ Applicable ☒ N/A

70. Gain on Changes in Fair Value

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

sources of gains on changes in fair value	Amount for the current period	Amount for the last period
Financial assets held for trading	51,318,586.09	92,061,788.33
Including: Gains from change in fair value of derivative financial instruments	16,821,424.28	13,031,794.50
Financial liabilities held for trading	-210,172,832.81	-173,116,529.67
Investment real estate measured at fair value		
Embedded derivatives	-77,807,528.05	-27,970,737.18
Total	-236,661,774.77	-109,025,478.52

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

71. Credit impairment losses

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the last period
Bad debt losses of receivable bills	-2,850,879.79	
Bad debt losses of accounts receivable	-5,373,677.80	-12,734,210.39
Bad debt losses of other receivables	-18,220,499.42	-3,046,953.34
Impairment losses of debt investments		
Impairment losses of other debt investments		
Bad debt losses of long-term receivables		
Impairment losses related to financial guarantees		
Other current assets	2,942,482.80	2,846,099.60
Total	-23,502,574.21	-12,935,064.13

72. Asset impairment losses

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

73. Gains from disposal of assets

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the last period
Gains or losses on disposal of fixed assets	-1,551,366.25	282,329.00
Gains or losses on disposal of intangible assets		-336,233.04
Disposal of right-of-use assets	-65,908.92	-176,885.69
Total	-1,617,275.17	-230,789.73

Other explanations:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

74. Non-operating revenue

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the last period	Amount included in the current non-recurring gain or loss
Total gains on disposal of non-current assets	294,660.27	33,584.32	294,660.27
Including: Gains on disposal of fixed assets	294,660.27	33,584.32	294,660.27
Gains on disposal of intangible assets			
Gains from debt restructuring			
Gains on exchange of non-monetary assets			
Donations received			
Government subsidies			
Forfeited income	11,808,739.48	3,239,587.65	11,808,739.48
Payables that will not need to be paid	11,154,564.66	156,366.07	11,154,564.66
Income from liquidated damages and compensation	205,515.64	830,580.00	205,515.64
Other income	1,098,885.21	1,167,906.22	1,098,885.21
Total	24,562,365.26	5,428,024.26	24,562,365.26

Other explanations:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

75. Non-operating expenses

✓ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the last period	Amount included in the current non-recurring gain or loss
Total losses on disposal of non-current assets	3,257,350.03	7,667,588.90	3,257,350.03
Including: Losses on disposal of fixed assets	3,257,350.03	7,667,588.90	3,257,350.03
Losses on disposal of intangible assets			
Losses from debt restructuring			
Losses on exchange of non-monetary assets			
External donation	1,206,789.72	833,140.00	1,206,789.72
Fines	5,150,611.43	3,359,183.75	5,150,611.43
Compensation	1,493,843.98	8,694,141.62	1,493,843.98
Tax late fees	11,254,854.21	6,709,850.97	11,254,854.21
Others	1,439,042.17	1,185,102.15	1,439,042.17
Total	23,802,491.54	28,449,007.39	23,802,491.54

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

76. Income tax expenses

(1). Table of income tax expenses

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the last period
Current income tax expenses	1,765,184,067.75	937,600,365.78
Deferred income tax expenses	-155,166,323.70	-290,998,913.47
Total	1,610,017,744.05	646,601,452.31

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

76. Income tax expenses (Continued)

(2). Adjustment process of accounting profit and income tax expense

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Items	Amount for the current period
Total profit	5,483,379,971.67
Income tax expense calculated at statutory/applicable tax rate	822,506,995.75
Effect of different tax rates applicable to subsidiaries	563,683,207.11
Effect of adjusting income taxes for the prior period	30,098,348.25
Impact on non-taxable income	-3,308,789.53
Effect of non-deductible costs, expenses and losses	149,518,160.46
Effect of using deductible losses of deferred income tax assets not recognized in the prior period	-74,860,721.72
Effect of deductible temporary differences or deductible losses of deferred income tax assets not recognized in the current period	11,654,535.39
Additional deduction of research and development expenses	-15,884,809.42
Additional deduction of wages for disabled employees	-3,061.23
Profit or loss attributable to joint ventures and associates	
Interest tax	29,490,634.88
Others	97,123,244.11
Income tax expenses	1,610,017,744.05

Other explanations:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

77. Other comprehensive income

✓ Applicable ☐ N/A

See Note VII.57 for details

78. Items on statements of cash flow

(1). Cash relating to operating activities

Other cash received relating to operating activities

✓ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the last period
Interest income	64,702,414.31	72,848,582.76
Fiscal appropriation	9,852,369.60	5,665,260.50
Current accounts	167,195,528.01	146,209,398.98
Redemption and income of financial products	4,153,148,056.52	3,031,126,297.54
Exchange deposit and withdrawal	27,671,921,754.81	21,658,444,789.98
Agent payments for goods and taxes	1,500,574,485.69	2,140,650,502.62
Proceeds from for disposal of shares under employee share ownership plan		15,870,733.81
Others	55,335,954.44	38,512,440.75
Total	33,622,730,563.38	27,109,328,006.94

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

78. Items on statements of cash flow (Continued)

(1). Cash relating to operating activities (Continued)

Other cash paid relating to operating activities

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the last period
Administrative expenses	127,313,844.88	177,628,877.10
Financial expenses	15,180,964.42	37,310,753.40
Non-operating expenses	53,308,236.69	16,311,841.30
Selling expenses	30,064,362.98	36,149,794.94
Current accounts	372,259,737.12	104,052,424.35
Exchange deposit and withdrawal	28,913,421,769.18	21,513,960,991.87
Subscription and losses of financial products	1,966,835,600.17	3,649,221,510.00
Security deposits	221,839,144.84	277,131,011.56
Agent payments for goods and taxes	1,500,465,230.42	2,081,436,069.76
Others	157,406,144.36	281,366,566.99
Total	33,358,095,035.06	28,174,569,841.27

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

78. Items on statements of cash flow (Continued)

(2). Cash related to investment activities

Cash received relating to significant investment activities

☐ Applicable ☒ N/A

Cash paid relating to significant investment activities

☐ Applicable ☒ N/A

Other cash received relating to investment activities

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the last period
Futures investment and gold leasing	747,781,995.53	130,090,968.10
Mine environmental rehabilitation deposit and interest	218,588.43	120,735.57
Security deposits for notes	261,335,858.44	210,015,484.68
Total	1,009,336,442.40	340,227,188.35

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

78. Items on statements of cash flow (Continued)

(2). Cash related to investment activities (Continued)

Other cash paid relating to investment activities

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the last period
Futures investment and gold leasing	1,290,654,184.32	140,080,944.41
Mine environmental rehabilitation deposit and interest	13,180,554.43	3,037,997.57
Security deposits for notes	115,482,792.39	160,180,656.81
Others		67,933,654.63
Total	1,419,317,531.14	371,233,253.42

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

78. Items on statements of cash flow (Continued)

(3). Cash related to financing activities

Other cash received relating to financing activities

✓ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the last period
Gold leasing	3,141,287,961.69	8,424,782,300.00
Warehouse receipt pledge	257,116,795.77	199,591,220.00
Others		60,630,527.61
Total	3,398,404,757.46	8,685,004,047.61

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

78. Items on statements of cash flow (Continued)

(3). Cash related to financing activities (Continued)

Other cash paid relating to financing activities

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the last period
Gold leasing	6,651,480,235.36	6,326,508,666.67
Loan handling fees	341,582.31	13,347,333.32
Rental fees	59,273,685.86	10,443,215.90
purchase of mining rights	119,514,878.18	48,900,000.00
Equity acquisition		34,862,184.79
Bill financing and discount interest	6,178,163.86	9,207,916.58
Warehouse receipts, cargo pledges or other credit financing and interest	286,343,420.40	242,139,509.77
Redemption proceeds of asset management plan shares	2,000,087,722.70	
Others	48,659,902.74	13,797,339.46
Total	9,171,879,591.41	6,699,206,166.49

Changes in various liabilities arising from financing activities

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

78. Items on statements of cash flow *(Continued)*

(4). Explanation of cash flows presented on a net basis

☐ Applicable ☒ N/A

(5). Significant activities and financial effects that do not involve cash receipts and payments for the current period but may affect the Company's financial position or future cash flows

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

79. Supplementary information on the cash flow statement

(1). Supplementary information on the cash flow statement

✓ Applicable □ N/A

Unit: Yuan Currency: RMB

Supplementary information	Amount for the current period	Amount for the last period
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	3,873,362,227.61	2,162,066,546.42
Add: Asset impairment provision		
Credit impairment loss	23,502,574.21	12,935,064.13
Depreciation of fixed assets, depreciation of oil and gas assets and depreciation of productive biological assets	2,357,452,434.30	1,808,669,861.42
Amortization of right-of-use assets	64,286,014.71	44,859,967.40
Amortization of intangible assets	645,896,752.83	654,765,736.77
Amortization of long-term deferred expenses	12,784,791.03	14,498,080.50
Losses on disposal of fixed assets, intangible assets and other long-term assets (gain represented by “-”)	1,617,275.17	230,789.73
Losses from retirement of fixed assets (gain represented by “-”)	2,962,689.76	7,667,588.90
Losses from changes in fair value (gain represented by “-”)	236,661,774.77	109,025,478.52
Financial expenses (gain represented by “-”)	941,960,521.01	921,164,760.73
Investment loss (gain represented by “-”)	368,213,165.52	190,074,650.45
Decrease in deferred income tax assets (increase represented by “-”)	6,210,480.79	-43,620,687.91
Increase in deferred income tax liabilities (decrease represented by “-”)	-142,728,563.91	-165,471,068.91
Decrease in inventory (increase represented by “-”)	-1,599,658,285.27	-212,007,660.17
Decrease in operating receivable items (increase represented by “-”)	-403,216,847.73	-1,667,294,527.80
Increase in operating payable items (decrease represented by “-”)	4,113,593,459.84	1,942,098,581.22
Others		
Net cash flows from operating activities	10,502,900,464.64	5,779,663,161.40
2. Significant investment and financing activities that do not involve cash receipts and payments:		
Conversion of debt into capital		
Convertible corporate bonds due within oneyear		
Finance leasing of fixed assets		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	11,077,559,166.74	7,984,986,620.42
Less: Opening balance of cash	9,931,630,518.82	8,352,903,315.36
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	1,145,928,647.92	-367,916,694.94

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

79. Supplementary information on the cash flow statement (Continued)

(2). Net cash paid for acquisition of subsidiaries in the current period

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

	Amount
Cash or cash equivalents paid in the current period for business combination occurred in the current period	24,975,500.00
Yunnan Western Mining Co., Ltd. (雲南西部礦業有限公司)	24,975,500.00
Less: Cash and cash equivalents held by subsidiaries on the date of purchase	603,871.43
Yunnan Western Mining Co., Ltd. (雲南西部礦業有限公司)	603,871.43
Add: cash or cash equivalents paid in the current period for business combinations that occurred in previous periods	
Receipt of net cash paid by subsidiaries	24,371,628.57

(3). Net cash received from disposal of subsidiaries in the current period

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

79. Supplementary information on the cash flow statement (Continued)

(4). Composition of cash and cash equivalents

✓ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
I. Cash	11,077,559,166.74	9,931,630,518.82
Including: Cash on hand	687,008.40	519,395.98
Bank deposits readily available for payment	8,053,125,210.41	6,228,072,926.55
Other monetary funds readily available for payment	3,023,746,947.93	3,703,038,196.29
Deposits with central bank available for payment		
Deposits with other banks		
Loans from other banks		
II. Cash equivalents		
Including: Bond investments that mature within three months		
III. Closing balance of cash and cash equivalents	11,077,559,166.74	9,931,630,518.82
Including: Restricted cash and cash equivalents used by the parent company or subsidiaries within the Group		

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

79. Supplementary information on the cash flow statement *(Continued)*

(5). Items with restricted use but still presented as cash and cash equivalent

☐ Applicable ☒ N/A

(6). Monetary funds not classified as cash and cash equivalents

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

80. Notes to the statement of changes in equity

Explanation for matters such as the item name of “Others” and amount adjustment for adjusting the balance at the end of the last year:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

81. Monetary items in foreign currency

(1). Monetary items in foreign currency

✓ Applicable □ N/A

Unit: Yuan

Items	Closing foreign currency balance	Translation rate	Closing RMB balance after translation
Monetary funds			
Of which: US dollar	188,759,933.07	7.15860	1,351,256,856.87
Australian dollar	20,083.56	4.68170	94,025.20
Hong Kong dollar	71,365,639.06	0.91195	65,081,894.54
Argentine peso	10,275,798,437.38	0.00604	62,065,822.56
Canadian dollar	1,600,659.03	5.23580	8,380,730.55
Cedi	1,762,618.66	0.69857	1,231,312.52
Euro	11.92	8.40240	100.16
Singapore dollar	116,203.11	5.61790	652,817.45
Namibian dollar	226,697,011.21	0.40174	91,073,257.28
Accounts receivable			
Of which: US dollar	4,631,022.32	7.15860	33,151,636.38
Other receivables			
Of which: US dollar	84,757,474.65	7.15860	606,744,858.03
Argentine peso	31,233,911,040.63	0.00604	188,652,822.69
Canadian dollar	186,762.26	5.23580	977,849.84
Cedi	661,076,170.83	0.69857	461,807,980.66
Namibian dollar	9,960,138.99	0.40174	4,001,386.24
Short-term borrowings			
Of which: US dollar	1,378,470,873.21	7.15860	9,867,921,592.96
Hong Kong dollar	250,000,000.00	0.91195	227,987,500.00
Accounts payable			
Of which: US dollar	122,646,769.83	7.15860	877,979,166.51
Australian dollar	9,544,376.80	4.68170	44,683,908.86
Argentine peso	12,926,562,600.11	0.00604	78,076,438.10
Canadian dollar	205,417.10	5.23580	1,075,522.85
Cedi	21,759,252.95	0.69857	15,200,361.33
Euro	1,713,773.93	8.40240	14,399,814.07
Namibian dollar	72,417,753.21	0.40174	29,093,108.17
Other payables			
Of which: US dollar	132,449,629.51	7.15860	948,153,917.81
Hong Kong Dollar	29,005,750.00	0.91195	26,451,793.71
Canadian dollar	43,183,797.75	5.23580	226,101,728.26
Non-current liabilities due within one year			
Of which: US dollar	17,169,510.78	7.15860	122,909,659.87
Namibian dollar	2,412,398.89	0.40174	969,157.13

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

81. Monetary items in foreign currency *(Continued)*

- (2). Explanation of overseas operating entities, including for important overseas operating entities, the principal place of business overseas, recording currency and basis of choice, and if the recording currency changes, the reasons shall also be disclosed

✓ Applicable ☐ N/A

Shandong Gold Mining (Hong Kong) Co., Limited (山東黃金礦(香港)有限公司), a subsidiary of the Company, has its principal place of business in Hong Kong. The functional currency in its main economic environment is the US dollar, and thus it uses the US dollar as its recording currency.

Streamers Gold Mining Corporation Limited (極光黃金礦業有限公司), a subsidiary of Shandong Gold Mining (Hong Kong) Co., Limited (山東黃金礦(香港)有限公司), has its principal place of business in Toronto. The functional currency in its main economic environment is Canadian dollar, and thus it uses Canadian dollar as its recording currency.

Cardinal Resources Limited and Cardinal Resources Australia Limited, subsidiaries of the Company, have their principal places of business in Australia. The functional currency in their main economic environment is Australian dollar, and thus they use Australian dollar as their recording currency. Cardinal Resources Ghana Limited and Cardinal Namdini Mining Limited, subsidiaries of the Company, have their principal places of business in Ghana. The functional currency in their main economic environment is Cedi, and thus they use Cedi as their recording currency.

Shanghai Shenghong Singapore Co., Ltd. (上海盛鴻新加坡有限公司), a subsidiary of Shanjin International, has its principal place of business in Singapore. The functional currency in its main economic environment is the US dollar, and thus it uses the US dollar as its recording currency. Osino Holdings Corp, Osino Mining Investments Ltd. and The Twin Hill Trust, subsidiaries of Shanjin International, have their principal places of business in in Canada, Mauritius and Namibia, respectively. The functional currency in their main economic environments are Canadian dollar, Mauritian rupee and Namibian dollar, and thus they use Canadian dollar, Mauritian rupee and Namibian dollar as their recording currencies.

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

82. Leases

(1). As a lessee

✓ Applicable ☐ N/A

Items	Amount for the current year (RMB)
Interest expense on lease liabilities	4,925,072.63
Short-term leases through current profit or loss using simplified approach	16,169,009.69

Variable lease payment not included in lease liabilities measurement

☐ Applicable ✓ N/A

Simplified treatment of lease expenses for short-term leases or low-value assets

☐ Applicable ✓ N/A

Leaseback transactions and basis of judgment

☐ Applicable ✓ N/A

Total lease-related cash outflows is RMB50,950,389.40.

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

82. Leases (Continued)

(2). As a lessor

Operating lease as a lessor

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Items	Lease income	Including: Income related to variable lease payments not included in lease receivables
Leasing of buildings, etc.	7,130,989.80	
Total	7,130,989.80	

Finance lease – as a lessor

☐ Applicable ☒ N/A

Reconciliation of undiscounted lease receivable and net investment in leases

☐ Applicable ☒ N/A

Undiscounted lease receivable for the next five years

☐ Applicable ☒ N/A

(3). Recognition of gain or loss on sale of finance lease as a producer or distributor

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

83. Data resources

☐ Applicable ☒ N/A

84. Others

☐ Applicable ☒ N/A

VIII. R&D EXPENDITURE

1. By nature of expenditure

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the last period
Wages and salaries	127,078,777.40	104,651,988.60
Direct investment	174,194,557.38	128,909,818.66
Amortization and depreciation	7,831,149.14	6,218,873.20
Outsourced R&D expenditure	32,903,059.64	17,330,875.42
Others	30,235,734.29	12,740,820.79
Total	372,243,277.85	269,852,376.67
Including: R&D Expenditure as expense	311,539,562.76	258,161,998.13
R&D Expenditure as capital	60,703,715.09	11,690,378.54

SECTION 8 FINANCIAL REPORT

VIII.R&D EXPENDITURE (Continued)

2. R&d expenditure eligible for capitalization

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Items	Opening balance	Increase in the current period		Decrease in the current period			Closing balance
		Internal development expenditure	Outsourced R&D expenditure	Recognized as intangible assets	Transfer to current profit or loss	Others	
Key technologies for TBM Tunneling in deep metal mines with complex geology and environment (金屬礦山深部複雜地質與環境TBM掘進關鍵技術)		3,496,993.48				3,496,993.48	
Key technologies for intelligent collaborative construction of Transparent Shaft Sinking in the 2,000m ultra-deep shaft at Sanshandao Gold Mine (三山島金礦2,000m超深豎井透明鑿井智能協同施工關鍵技術)		36,040,992.15				36,040,992.15	
Research and application of intelligent mining scheme for the -1,095m to -1,050m Level in the northern section of xishan deep zone at Sanshandao Gold Mine (三山島金礦西山深部北區-1,095m~-1,050m水準智能化開採方案研究及應用)		10,946,084.28				10,946,084.28	
Others	17,797,553.43	9,578,052.26	641,592.92	50,639.78	1,283,185.84	4,591,904.68	22,091,468.31
Total	17,797,553.43	60,062,122.17	641,592.92	50,639.78	1,283,185.84	55,075,974.59	22,091,468.31

Significant capitalised R&D expenditure

☐ Applicable ☒ N/A

Provision for impairment on R&D expenditure

☐ Applicable ☒ N/A

3. Significant outsourced projects under research

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

IX. CHANGES IN SCOPE OF CONSOLIDATION

1. Business combination not under common control

☐ Applicable ☒ N/A

2. Business combination under common control

☐ Applicable ☒ N/A

3. Reverse acquisition

☐ Applicable ☒ N/A

4. Disposal of subsidiaries

Whether there is a transaction or event that results in the loss of control over subsidiaries during the current period

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

Whether there is a step-by-step disposal of investment in a subsidiary through multiple transactions that results in the loss of control during the current period

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

IX. CHANGES IN SCOPE OF CONSOLIDATION (Continued)

5. Changes in the scope of consolidation for other reasons

Explain the changes in the scope of consolidation caused by other reasons (such as the establishment of new subsidiaries, liquidation of subsidiaries, etc.) and related circumstances:

☒ Applicable ☐ N/A

1. Shandong Shanjin Materials Co., Ltd. (山東山金物資有限公司) is a newly – established wholly-owned subsidiary of the Company, with a registered capital of RMB100.00 million, located in Jinan, Shandong Province. Its main business is wholesale of other machinery equipment and electronic products.
2. Golden Planet Investments, a subsidiary of the Company, was deregistered.
3. In January 2025, Shanjin International completed the acquisition of a 100% equity interest in DC Farming (Pty) Ltd. Meanwhile, Fairview Minerals Exploration (Pty) Ltd. and Vavali Mining Exploration (Pty) Ltd. were deregistered. In May 2025, Osino Otavi Holdings (Pty) Ltd. was deregistered. On 27 May 2025, Shanjin International acquired 52.0709% of equity in Yunnan Western Mining Co., Ltd. (雲南西部礦業有限公司) at a cash consideration of RMB24,975,500, and incorporated Yunnan Western Mining Co., Ltd. (雲南西部礦業有限公司) into the scope of consolidation during the current period. When Shanjin International obtained control of this subsidiary, the subsidiary did not constitute a business, and was not accounted for under the business combination standards. Shanjin International allocated the purchase cost based on the relative fair values of the various identifiable assets and liabilities acquired on the acquisition date.

In the consolidated financial statements of the Group, 79 companies were included, including Shandong Gold Mining (Laizhou) Co., Ltd. (山東黃金礦業(萊州)有限公司), Shandong Jinzhou Mine Group Co., Ltd. (山東金洲礦業集團有限公司), and Shanjin International. Compared with the end of the last year, 3 new subsidiaries were established, and 4 subsidiaries were deregistered this year. For details of the scope of consolidation, see this note X.10 “Interests in Other Entities”.

6. Others

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

X. INTERESTS IN OTHER ENTITIES

1. Changing in shareholding in subsidiaries

(1). Constitution of enterprise group

✓Applicable ☐ N/A

Unit: RMB10 thousand

Name of subsidiary	Principal place of business	Registered capital	Place of registration	Nature of business	Shareholding (%)		Method of acquisition
					Direct	Indirect	
Shandong Gold Mining (Laizhou) Co., Ltd. (山東黃金礦業(萊州)有限公司)	Laizhou	43,017.64	Laizhou	Gold mining and processing	100.00		Business combination under common control
Shandong Gold Group Penglai Mining Co., Ltd. (山東黃金集團蓬萊礦業有限公司)	Penglai	5,000.00	Penglai	Gold mining and processing	100.00		Business combination under common control
Shandong Gold Guilaizhuang Mining Co., Ltd. (山東黃金歸來莊礦業有限公司)	Pingyi	62,167.00	Pingyi	Gold mining and processing	70.65		Business combination under common control
Shandong Gold Smelting Co., Ltd. (山東黃金冶煉有限公司)	Laizhou	35,000.00	Laizhou	Gold and silver smelting	100.00		Established through division
Shandong Jinzhou Mine Group Co., Ltd. (山東金洲礦業集團有限公司)	Rushan	7,668.98	Rushan	Gold mining and processing	100.00		Business combination not under common control
Shandong Jinzhou Group Qianling Mining Ltd. (山東金洲集團千嶺礦業有限公司)	Rushan	1,000.00	Rushan	Gold mining and processing		100.00	Business combination not under common control
Chifeng Chaihuanzi Gold Mining Co., Ltd. (赤峰柴胡欄子黃金礦業有限公司)	Chifeng	1,001.77	Chifeng	Gold mining and processing	73.52		Business combination not under common control
Shandong Jinshi Mining Co., Ltd. (山東金石礦業有限公司)	Laizhou	2,680.00	Laizhou	Investment in the mining industry	100.00		Business combination not under common control
Xihe Zhongbao Mining Co., Ltd. (西和縣中寶礦業有限公司)	Xihe	20,000.00	Xihe	Gold mining and processing	70.00		Business combination not under common control
Sherzhen SD Gold Mining Precious Metal Co., Ltd. (深圳市山金礦業貴金屬有限公司)	Longgang	1,000.00	Longgang	Gold processing		75.00	Establishment
Fujian Zhenghe County Yuanxin Mining Co., Ltd. (福建省政和縣源鑫礦業有限公司)	Zhenghe	5,400.00	Zhenghe	Gold mining and processing	90.31		Business combination not under common control

SECTION 8 FINANCIAL REPORT

X. INTERESTS IN OTHER ENTITIES (Continued)

1. Changing in shareholding in subsidiaries (Continued)

(1). Constitution of enterprise group (Continued)

Name of subsidiary	Principal place of business	Registered capital	Place of registration	Nature of business	Shareholding (%)		Method of acquisition
					Direct	Indirect	
Shandong Gold Mining Industry (Xinhui) Co., Ltd. (山東黃金礦業(鑫匯)有限公司)	Qingdao	38,473.59	Qingdao	Gold mining and processing	100.00		Establishment
Shandong Gold Mining (Linglong) Co., Ltd. (山東黃金礦業(嶺龍)有限公司)	Zhaoyuan	40,231.00	Zhaoyuan	Gold mining and processing	100.00		Establishment
Shandong Gold Mining (Yinan) Co., Ltd. (山東黃金礦業(沂南)有限公司)	Yinan	17,100.00	Yinan	Gold, copper and iron ore mining and processing	100.00		Establishment
Shandong Gold Mining (Laixi) Co., Ltd. (山東黃金礦業(萊西)有限公司)	Laixi	21,400.00	Laixi	Gold mining and processing	100.00		Establishment
Shandong Gold Mining Technology Co., Ltd. (山東黃金礦業科技有限公司)	Laizhou	20,000.00	Jinan	Mining technology research and development	100.00		Establishment
Shanjin Heavy Industry Co., Ltd. (山金重工有限公司)	Laizhou	30,000.00	Laizhou	Equipment manufacturing	100.00		Establishment
Gansu Jinshun Mining Ltd. (甘肅金舜礦業有限公司) (Note 1)	Xihe	45,000.00	Xihe	Gold mining and processing	60.00		Establishment
Laizhou Gold Coast Ecology Co., Ltd. (萊州金岸生態有限公司)	Laizhou	1,000.00	Laizhou	Ecological restoration and environmental protection services		80.00	Business combination not under common control
Shanjin Mine Project (Shandong) Ltd. (山金礦山工程(山東)有限公司)	Laizhou	4,000.00	Laizhou	Construction work	70.00		Establishment
SDG Capital Management Co., Ltd. (山金控資本管理有限公司)	Shanghai	150,000.00	Shanghai	Investment and asset management	100.00		Business combination under common control
Shanjin Jinkong (Shanghai) Precious Metals Investment Co., Ltd. (山金控(上海)貴金屬投資有限公司)	Shanghai	34,654.64	Shanghai	Investment in precious metals		100.00	Business combination under common control
Shanjin Futures Co., Ltd. (山金期貨有限公司)	Tianjin	65,137.49	Tianjin	Futures brokerage		100.00	Business combination under common control
Shanjin Jinkong (Shenzhen) Gold Investment Development Co., Ltd. (山金控(深圳)黃金投資發展有限公司)	Shenzhen	6,535.35	Shenzhen	Investment in gold industry		100.00	Business combination under common control

SECTION 8 FINANCIAL REPORT

X. INTERESTS IN OTHER ENTITIES (Continued)

1. Changing in shareholding in subsidiaries (Continued)

(1). Constitution of enterprise group (Continued)

Name of subsidiary	Principal place of business	Registered capital	Place of registration	Nature of business	Shareholding (%)		Method of acquisition
					Direct	Indirect	
SDG International Capital Management Co., Ltd. (山金國際資產管理有限公司)	Shanghai	1,050.00	Shanghai	Investment management		100.00	Business combination under common control
Shanjin Jinqian (Shanghai) Private Equity Fund Management Co., Ltd. (山金泉(上海)私募基金管理有限公司)	Shanghai	10,000.00	Shanghai	Asset management		100.00	Business combination under common control
Shanjin Jinqian (Shanghai) Capital Management Co., Ltd. (山金泉(上海)投資管理有限公司)	Shanghai	3,000.00	Shanghai	Investment management		100.00	Business combination under common control
Shanghai Shanjin Industrial Development Co., Ltd. (上海山金實業發展有限公司)	Shanghai	10,000.00	Shanghai	Consultation and investigation		100.00	Establishment
Shandong Dikuang Lailin Holdings Co., Ltd. (山東地礦萊金控股有限公司)	Laizhou	300,000.00	Laizhou	Investment holding		100.00	Business combination under common control
Laizhou Hongsheng Mining Investment Co., Ltd. (萊州鴻昇礦業投資有限公司)	Laizhou	1,000.00	Laizhou	Gold mining and processing		100.00	Business combination under common control
Laizhou Jinsheng Mining Investment Co., Ltd. (萊州金盛礦業投資有限公司)	Laizhou	39,000.00	Laizhou	Gold mining and processing		100.00	Business combination under common control
Shandong Tancheng Mining Co., Ltd. (山東大承礦業有限公司)	Laizhou	1,618.00	Laizhou	Gold mining and processing		100.00	Business combination under common control
Shandong Gold Mining (Hong Kong) Co., Limited (山東黃金礦業(香港)有限公司)	Hong Kong	453,114.56	Hong Kong	Investment in the mining industry	100.00		Establishment
Streamers Gold Mining Corporation Limited (極光黃金礦業有限公司)	Toronto	0.05	Toronto	Gold resource exploration		100.00	Establishment
Cardinal Resources Limited	Australia	61,099.14	Australia	Investment holding		100.00	Business combination not under common control
Cardinal Resources Ghana Limited	Ghana	3.08	Ghana	Gold mining and processing		85.00	Business combination not under common control
Cardinal Resources Subramun Limited	Ghana	5.54	Ghana	Mining services		85.00	Business combination not under common control
Cardinal Mining Services Limited	Ghana	5.54	Ghana	Mining services		85.00	Business combination not under common control
Cardinal Namdini Mining Limited	Ghana	375.00	Ghana	Gold mining and processing		85.00	Business combination not under common control

SECTION 8 FINANCIAL REPORT

X. INTERESTS IN OTHER ENTITIES (Continued)

1. Changing in shareholding in subsidiaries (Continued)

(1). Constitution of enterprise group (Continued)

Name of subsidiary	Principal place of business	Registered capital	Place of registration	Nature of business	Shareholding (%)		Method of acquisition
					Direct	Indirect	
Hengxing Gold Holding Company Limited	Cayman	736.21	Cayman	Investment holding	100.00		Business combination not under common control
Tianshan Gold Securities (HongKong) Limited	Hong Kong	9,266.85	Hong Kong	Investment holding		100.00	Business combination not under common control
Tianshan Goldfield (Xinjiang) Investment Advisory Limited (新疆天山金田投資諮詢有限公司)	Yining	40.79	Yining	Management and consultation		100.00	Business combination not under common control
Xinjiang Jinchuan Mining Co., Ltd. (新疆金川礦業有限公司)	Yining	35,434.15	Yining	Gold and silver mining, extraction and smelting		100.00	Business combination not under common control
Shandong Gold Occupational Disease Prevention and Control Hospital (山東黃金職業病防治院)	Zhaoyuan	10,000.00	Zhaoyuan	Public institutions	100.00		Establishment
Inner Mongolia Shanjin Changtai Mining Co., Ltd. (內蒙古山金銀泰礦業有限公司)	Baotou	10,500.00	Baotou	Gold mining and processing	70.00		Business combination not under common control
Shanjin International Gold Co., Ltd. (山金國際黃金股份有限公司)	Beijing	277,672.23	Inner Mongolia	Non-ferrous metal mining and selection	28.89		Business combination not under common control
Shandong Shanjin Materials Co., Ltd. (山東山金物資有限公司)	Jinan	10,000.00	Jinan	Material procurement and sales	100.00		Establishment

SECTION 8 FINANCIAL REPORT

X. INTERESTS IN OTHER ENTITIES (Continued)

1. Changing in shareholding in subsidiaries (Continued)

(1). Constitution of enterprise group (Continued)

Shanjin International Gold Co., Ltd. (山金國際黃金股份有限公司) is a listed company on the Shenzhen Stock Exchange, with the stock code: 000975.SZ.

Explanation regarding the difference between the proportion of the shareholding and the percentage of voting rights in subsidiaries:

Shanjin Mine Project (Shandong) Ltd. (山金礦山工程(山東)有限公司) was established on 8 December 2022, with a registered capital of RMB40.00 million, and is held by our Company as to 70.00%. Its external investment is shown in the table below:

Name of company	Registered capital (RMB0,000)	Place of registration	Shareholding	Subscribed capital (RMB0,000)
Shandong Panjiu Mining Co., Ltd. (山東磐久礦業有限公司)	4,000.00	Weihai	51.00%	2,040.00
Shandong Xingming Mining Co., Ltd. (山東鑫明礦業有限公司)	4,000.00	Yantai	51.00%	2,040.00
Shandong Changtai Mining Co., Ltd. (山東昌泰礦業有限公司)	4,000.00	Yantai	51.00%	2,040.00
Shandong Xiuyuan Mining Co., Ltd. (山東秀原礦業有限公司)	4,000.00	Yantai	51.00%	2,040.00
Shandong Zhongda Mining Co., Ltd. (山東中大礦業有限公司)	4,000.00	Yantai	51.00%	2,040.00
Shandong Xugong Mining Co., Ltd. (山東旭工礦業有限公司)	4,000.00	Yantai	51.00%	2,040.00

Our Company holds more than 50.00% of equity in the above-mentioned 6 companies. The reason why they are not included in the consolidated financial statements is that the Company has not actually made any investment in them and does not have substantive control over them.

SECTION 8 FINANCIAL REPORT

X. INTERESTS IN OTHER ENTITIES (Continued)

1. Changing in shareholding in subsidiaries (Continued)

(1). Constitution of enterprise group (Continued)

Basis of controlling significant structured entities in the scope of consolidation:

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

As of 30 June 2025, the Group had the following major consolidated structured entities:

Name	Shareholding	Paid-in capital	Acquisition method
Shanjin Jinshi No. 1 Private Securities Investment Fund (山金金石1號私募證券投資基金)	100.00%	472,249,981.75	Establishment
Jinquan Shanjin Jinyuan No. 1 Private Securities Investment Fund (金泉山金金源一號私募證券投資基金)	100.00%	102,974,999.87	Establishment
Zhuchi Quantitative Stable Investment Fund of Funds No. 1 Phase 1 (珠池量化穩健投資母基金1號1期)	100.00%	319,727,495.80	Investment
Jinan Jinying Investment Partnership Enterprise (Limited Partnership) (濟南金盈投資合夥企業(有限合夥))	20.00%	2,500,170,000.00	Establishment
Jinan Jinyue Investment Partnership Enterprise (Limited Partnership) (濟南金悅投資合夥企業(有限合夥))	100.00%	1,285,200,000.00	Establishment

As of 30 June 2025, the net assets of the structured entities included in the scope of consolidation of the Group amounted to RMB1,735,212,469.27. The equity interests held by the Company in the above-mentioned structured entities have been offset, mainly reflecting financial assets held for trading of RMB447,992,504.92 and other non-current financial assets of RMB1,272,630,496.44 in the balance sheet.

SECTION 8 FINANCIAL REPORT

X. INTERESTS IN OTHER ENTITIES (Continued)

1. Changing in shareholding in subsidiaries (Continued)

(2). Significant non-wholly-owned subsidiaries

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Name of subsidiary	Minority shareholders' shareholding Percentage (%)	Profits and loss attributable to the minority shareholders in the current period	Dividends declared to distribute to the minority shareholders in the current period	Closing book value of minority interests
Chifeng Chaihulanzi Gold Mining Co., Ltd. (赤峰柴胡欄子黃金礦業有限公司)	26.48%	22,892,567.50		357,903,434.51
Xihe Zhongbao Mining Co., Ltd. (西和縣中寶礦業有限公司)	30.00%	41,718,782.47		415,645,038.71
Fujian Zhenghe County Yuanxin Mining Co., Ltd. (福建省政和縣源鑫礦業有限公司)	9.69%	-5,256.99		43,369,925.76
Shandong Gold Guilaizhuang Mining Co., Ltd. (山東黃金歸來莊礦業有限公司)	29.35%	4,012,619.80		244,140,719.74
Shanjin International Gold Co., Ltd. (山金國際黃金股份有限公司)	71.11%	892,831,746.95	794,470,739.40	13,935,928,193.56
Inner Mongolia Shanjin Changtai Mining Co., Ltd. (內蒙古山金昶泰礦業有限責任公司)	30.00%	4,962,370.88		167,263,734.32

Explanation regarding the difference between the proportion of minority shareholders' shareholding i and the percentage of their voting rights in subsidiaries:

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

X. INTERESTS IN OTHER ENTITIES (Continued)

1. Changing in shareholding in subsidiaries (Continued)

(3). Main financial information for significant non-wholly-owned subsidiaries

✓ Applicable □ N/A

Unit: Yuan Currency: RMB

Name of subsidiary	Closing balance			Opening balance		
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Chiteng Chitangzi Gold Mining Co., Ltd. (赤峰市金礦有限公司)	182,896,949.96	2,030,579,860.61	2,213,476,810.57	590,338,257.43	265,977,314.96	856,315,572.39
Xin Zhongtao Mining Co., Ltd. (西和縣中興礦業有限公司)	464,722,983.11	1,991,162,751.09	2,455,875,744.20	760,706,087.33	305,846,822.67	1,066,552,910.00
Fujian Zhenghe County Yuanxin Mining Co., Ltd. (福建省政和縣源鑫礦業有限公司)	98,130,183.92	572,423,146.64	670,553,330.56	221,782,730.62	1,196,466.63	222,979,227.25
Shandong Gold Gulizhuang Mining Co., Ltd. (山東金嶺北莊礦業有限公司)	236,199,044.61	904,900,466.67	1,141,099,511.28	267,152,628.57	41,395,823.59	308,548,452.16
Shanjin International Gold Co., Ltd. (山金國際黃金股份有限公司)	6,578,917,499.25	18,155,862,986.68	24,734,780,485.93	2,471,610,557.71	3,495,899,532.80	5,967,510,090.51
Inner Mongolia Shanjin Chongtai Mining Co., Ltd. (內蒙古山金赤塔礦業有限公司)	66,495,225.57	811,541,926.04	878,037,151.61	52,581,765.79	182,879,656.23	235,461,442.02
				51,770,494.78	671,013,716.47	722,784,211.25
					23,977,282.58	157,802,383.84
						181,779,666.42

SECTION 8 FINANCIAL REPORT

X. INTERESTS IN OTHER ENTITIES (Continued)

1. Changing in shareholding in subsidiaries (Continued)

(3). Main financial information for significant non-wholly-owned subsidiaries (Continued)

Name of subsidiary	Amount for the current period				Amount for the last period			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Chifeng Chaihulanzi Gold Mining Co., Ltd. (赤峰柴胡欄子黃金礦業有限公司)	373,044,902.67	86,461,763.18	86,461,763.18	118,435,306.33	814,840,560.01	294,332,432.11	294,332,432.11	256,548,162.35
Xihe Zhongbao Mining Co., Ltd. (西和縣中寶礦業有限公司)	420,301,993.06	139,062,608.22	139,062,608.22	143,007,488.29	622,819,716.66	232,251,069.69	232,251,069.69	-26,871,829.43
Fujian Zhenghe County Yuanxin Mining Co., Ltd. (福建省政和縣源鑫礦業有限公司)	70,424,703.22	-54,251.74	-54,251.74	42,514,647.15	150,296,205.85	2,534,765.35	2,534,765.35	52,290,281.87
Shandong Gold Guilaihuang Mining Co., Ltd. (山東黃金歸來莊礦業有限公司)	188,043,575.15	13,671,617.71	13,671,617.71	6,668,983.78	371,973,033.91	26,887,732.78	26,887,732.78	98,857,505.07
Shanjin International Gold Co., Ltd. (山金國際黃金股份有限公司)	9,245,645,048.51	1,203,069,737.02	1,212,563,285.03	2,618,517,584.88	13,585,441,104.66	1,506,261,976.86	1,524,153,796.70	3,871,259,213.23
Inner Mongolia Shanjin Changtai Mining Co., Ltd. (內蒙古山金昶泰礦業有限公司)	99,704,546.52	16,541,236.27	16,541,236.27	-7,135,759.02	129,509,637.31	10,414,543.17	10,414,543.17	41,306,332.50

(4). Significant restrictions for using the enterprise group's assets and settling the enterprise group's liabilities:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

X. INTERESTS IN OTHER ENTITIES *(Continued)*

1. Changing in shareholding in subsidiaries *(Continued)*

(5). Financial support or other support provided to structured entities in the scope of consolidated financial statements:

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

2. Transaction changing shareholding in but not causing to loss of control over subsidiaries

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

X. INTERESTS IN OTHER ENTITIES (Continued)

3. Interests in joint ventures or associates

☒ Applicable ☐ N/A

(1). Significant joint ventures or associates

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Name of joint venture or associate	Principle place of business	Place of registration	Nature of business	Shareholding(%)		Accounting method for investment in joint ventures or associates
				Direct	Indirect	
Shandong Gold Group Finance Co., Ltd. (山東黃金集團財務有限公司)	Jinan	Jinan	Non-bank financial institutions	30.00		Equity method
Laizhou Huijin Mining Investment Ltd. (萊州匯金礦業投資有限公司)	Laizhou	Laizhou	Mining industry		39.00	Equity method

(2). Main financial information for significant joint ventures

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

X. INTERESTS IN OTHER ENTITIES (Continued)

3. Interests in joint ventures or associates (Continued)

(3). Key financial information of major associates

✓ Applicable ☐ N/A

Unit: Yuan Currency: RMB

	Closing balance/amount for the current period		Opening balance/amount for the last period	
	Shandong Gold Group Finance Co., Ltd.	Laizhou Huijin Mining Investment Ltd.	Shandong Gold Group Finance Co., Ltd.	Laizhou Huijin Mining Investment Ltd.
Current assets	6,655,722,585.72	485,210,940.50	11,837,801,992.09	518,929,468.17
Non-current assets	6,853,960,281.88	3,960,272,493.84	2,505,604,748.26	3,372,361,931.09
Total assets	13,509,682,867.60	4,445,483,434.34	14,343,406,740.35	3,891,291,399.26
Current liabilities	9,876,791,607.33	1,121,031,787.72	10,699,150,555.05	1,900,891,944.61
Non-current liabilities	20,829,741.03	2,033,475,430.96	26,867,845.51	696,253,830.90
Total liabilities	9,897,621,348.36	3,154,507,218.68	10,726,018,400.56	2,597,145,775.51
Non-controlling interests				
Equity attributable to shareholders of the parent company	3,612,061,519.24	1,290,976,215.66	3,617,388,339.79	1,294,145,623.75

SECTION 8 FINANCIAL REPORT

X. INTERESTS IN OTHER ENTITIES (Continued)

3. Interests in joint ventures or associates (Continued)

(3). Key financial information of major associates (Continued)

	Closing balance/amount for the current period		Opening balance/amount for the last period	
	Shandong Gold Group Finance Co., Ltd.	Laizhou Huijin Mining Investment Ltd.	Shandong Gold Group Finance Co., Ltd.	Laizhou Huijin Mining Investment Ltd.
Share of net assets based on shareholding	1,083,618,455.77	503,480,724.10	1,085,216,501.95	504,716,793.26
Adjustments				
– Goodwill				
– Unrealised profit for internal transaction				
– Others		933,031,832.79		933,031,832.79
Carrying amount of equity investment in associates	1,083,618,455.77	1,436,512,556.89	1,085,216,501.95	1,437,748,626.05
Fair value of equity investment in associates with a quoted price in the open market				
Operating revenue	141,703,338.82	849.06	176,662,391.89	120,753.23
Net Profit	80,712,963.08		49,282,811.94	
Net profit from discontinued operations				
Other comprehensive income				
Total comprehensive income	80,712,963.08		49,282,811.94	
Dividends received from associates during the year	25,811,935.09			

SECTION 8 FINANCIAL REPORT

X. INTERESTS IN OTHER ENTITIES *(Continued)*

3. Interests in joint ventures or associates *(Continued)*

(4). Summary financial information of non-major joint ventures and associates

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

	Closing balance/ amount for the current period	Opening balance/ amount for the last period
Joint ventures:		
Total carrying amount of investment		
Total amount of the following items based on shareholding		
– Net profit		
– Other comprehensive income		
– Total comprehensive income		
Associates:		
Total carrying amount of investment	3,910,397.84	3,967,503.88
Total amount of the following items based on shareholding		
– Net profit	–35,623.04	–7,424.47
– Other comprehensive income		
– Total comprehensive income	–35,623.04	–7,424.47

SECTION 8 FINANCIAL REPORT

X. INTERESTS IN OTHER ENTITIES *(Continued)*

3. Interests in joint ventures or associates *(Continued)*

- (5). Explanation for the significant restrictions on the ability of joint ventures or associates to transfer funds to the Company

☐ Applicable ☒ N/A

- (6). Excessive loss incurred by joint ventures or associates

☐ Applicable ☒ N/A

- (7). Unrecognised commitments related to investments in joint ventures

☐ Applicable ☒ N/A

- (8). Contingent liabilities related to investments in joint ventures or associates

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

X. INTERESTS IN OTHER ENTITIES *(Continued)*

4. Major joint operations

✓ Applicable ☐ N/A

Name of joint operation	Principal place of operation	Place of registration	Business nature	Shareholding percentage/entitlement (%)	
				Direct	Indirect
MAS	San Juan, Argentina	Buenos Aires, Argentina	Gold mining, processing and smelting		50.00

Basis for classification as a joint operation where the joint operation is a separate entity:

On 30 June 2017, pursuant to a share purchase agreement dated 6 April 2017, Shandong Gold Mining (Hong Kong) Co., Limited ("SDG Hong Kong"), established in Hong Kong, as the acquiring entity, acquired a 50% equity interest in Argentina Gold (Bermuda) II Ltd. ("AGB II") and subscribed for a 2.1547% newly issued equity interest in Minera Andina Del Sol S.R.L. ("MAS"), a non-wholly owned subsidiary of AGB II), and purchased a 50% shareholder's loan in MAS held by Barrick Gold Corporation ("Barrick"). The acquisition price was USD960 million (adjusted to USD990 million in November 2017 based on several financial indicators under the share purchase agreement, equivalent to approximately RMB6,705 million). Of this amount, USD141 million (equivalent to approximately RMB935 million) was used to purchase the 50% shareholder's loan in MAS.

Through the above transactions, SDG Hong Kong directly and indirectly holds a 50% equity interest in MAS. The Company and Barrick will jointly operate the Veladero Gold Mine in Argentina owned by MAS, with each party consolidating 50% of its results. The Company has accounted for its investment in the AGB II Group as a joint operation since 30 June 2017, consolidating its assets, liabilities, and profit or loss.

SECTION 8 FINANCIAL REPORT

X. INTERESTS IN OTHER ENTITIES *(Continued)*

5. Interests in structured entities not included in the scope of consolidated financial statements

Explanation of structured entities not included in the scope of consolidated financial statements:

☒ Applicable ☐ N/A

As of 30 June 2025, the net assets of structured entities managed and held by the Company that are not included in the consolidated financial statements amounted to RMB42,223,024.48. The Company's interests in the above structured entities that are not included in the consolidated financial statements are classified as financial assets held for trading and other non-current financial assets. The book value and maximum exposure of financial assets held for trading were RMB24,723,462.13, and the book value and maximum exposure of other non-current financial assets were RMB12,226,110.89.

From January to June 2025, the income obtained by the Company from such structured entities, including management fees and performance-based remuneration, totaled RMB697,497.17.

6. Others

☐ Applicable ☒ N/A

XI. GOVERNMENT GRANTS

1. Government grants recognised at the end of the reporting period at the amount receivable

☒ Applicable ☐ N/A

Closing balance of receivables 0 (Unit: Yuan Currency: RMB)

Reasons for not receiving the estimated amount of government grants at the estimated time

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

XI. GOVERNMENT GRANTS (Continued)

2. Debt items involving government grants

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item	Opening balance	New grants during the period	Include in non-operating income for the period	Include in other income for the period	Other changes for the period	Closing balance	Asset-related/ income-related
Deferred income	2,138,910.15	2,657,000.00		257,970.04		4,537,940.11	Income-related
Deferred income	10,013,281.10			100,805.58		9,912,475.52	Asset-related
Total	12,152,191.25	2,657,000.00		358,775.62		14,450,415.63	/

3. Government grants included in profit or loss for the period

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Type	Amount for the current period	Amount for the last period
Income-related	8,695,075.95	12,506,056.23
Total	8,695,075.95	12,506,056.23

SECTION 8 FINANCIAL REPORT

XII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

1. Financial instrument risks

✓ Applicable ☐ N/A

The Company is faced with various financial instrument risks in its daily activities, mainly including market risks (such as exchange rate risk, interest rate risk and commodity price risk), credit risk and liquidity risk. The risks associated with these financial instruments and the risk management policies adopted by the Company to mitigate these risks are described below. The management of the Company manages and monitors these risk exposure to ensure that the aforementioned risks are limited within a scope.

1. Objectives and policies of various risk management

The objective of the Group's risk management is to obtain an appropriate balance between risk and return, minimise negative impact of risk on the Group's operating results and maximise benefits of shareholders and other equity investors. Based on this objective of risk management, the basic risk management strategy of the Group is to identify and analyse various risks faced by the Group, establish an appropriate risk tolerance bottom line and conduct risk management, and supervise various risks in a timely and reliable manner to control risks within a limited scope.

(1) *Market risk*

Exchange rate risk

The Group is exposed to exchange rate risk primarily related to the US dollar, Singapore dollar, Canadian dollar, Hong Kong dollar, and Ghanaian Cedi. Except for several subsidiaries that conduct purchases and sales in US dollars, the Group's other major business activities are denominated and settled in Renminbi. The Group closely monitors the impact of exchange rate fluctuations on its operations.

SECTION 8 FINANCIAL REPORT

XII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS *(Continued)*

1. Financial instrument risks *(Continued)*

1. Objectives and policies of various risk management *(Continued)*

(2) Interest rate risk

Interest rate risk refers to the risk of fluctuations in the fair value of financial instruments or future cash flows due to changes in market interest rates. The Company's interest rate risk mainly arises from bank borrowings. The Company maintains good relationships with banks, rationally designs credit lines, credit products, and credit terms to ensure sufficient bank credit facilities to meet its various short-term financing needs. Furthermore, by shortening the term of individual borrowings and specifically including early repayment clauses, the Company reasonably mitigates interest rate fluctuation risk.

(3) Price risks

(1) Commodity price risk

The Company's price risks mainly come from bulk metal trading prices. In order to stabilize the risk of price fluctuations, when conducting metal trading, the Company generally purchases similar futures products in the futures market to avoid the risk of price fluctuations or hedges corresponding forward bulk metal purchase contracts. Since the financial derivatives market itself has certain systemic risks, it is necessary to make reasonable and effective predictions on price trends when conducting hedging operations. Once the price forecast deviates, it may affect the effect of hedging business.

SECTION 8 FINANCIAL REPORT

XII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS *(Continued)*

1. Financial instrument risks *(Continued)*

1. Objectives and policies of various risk management *(Continued)*

(3) Price risks *(Continued)*

(2) Credit risk

The Group manages credit risk on a portfolio basis. Credit risk primarily arises from monetary funds, notes receivable, accounts receivable, receivables financing other receivables, contract assets, long-term receivables, etc.

To mitigate credit risk, the Group establishes a special department to determine a credit line and conduct credit approvals, and makes other monitoring procedures to assure that necessary measures are taken to retrieve overdue creditor's rights. In addition, the Group checks the recovery of each individual receivable on each balance sheet date, so as to ensure that adequate provisions are made for irrecoverable amounts. As a result, the Group's management deems that the Group's credit risk exposure has been substantially reduced.

The Group's current capital is hoarded in banks with a higher credit rating and therefore the credit risk of current capital is low.

Standards to judge whether credit risk significantly increases

On each balance sheet date, the Group determines whether the credit risk of financial instruments has increased significantly after initial recognition, by comparing the probability of default during the estimated existing period of financial instruments as determined at the initial recognition, with the probability of default during the estimated existing period of such instruments as determined at the balance sheet date. However, if the Group believes that a financial instrument has only a low credit risk on the balance sheet date, it can be assumed that the credit risk of the financial instrument has not increased significantly since the initial recognition.

The Group's main criteria for determining a significant increase in credit risk are as follows: more than 30 days overdue, or significant changes in one or more of the following indicators: serious adverse changes in the debtor's operating environment, internal and external credit ratings, actual or expected operating revenue, etc. (Usually, if a financial instrument has been overdue for more than 30 days, then this indicates that the credit risk of this financial instrument has increased significantly. If it is judged that the credit risk has not increased significantly (applicable to financial assets using the general model of expected credit losses), the basis for determining that credit risk has not increased significantly since initial recognition despite overdue for more than 30 days must be disclosed.)

SECTION 8 FINANCIAL REPORT

XII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS *(Continued)*

1. Financial instrument risks *(Continued)*

1. Objectives and policies of various risk management *(Continued)*

(3) Price risks *(Continued)*

(2) Credit risk *(Continued)*

Definition of assets that have suffered credit impairment

If one or more events that adversely affect the expected future cash flows of a financial asset happen, then the financial asset will become a financial asset that has suffered a credit impairment. The Group's primary standard for determining that a credit impairment has happened is the number of overdue days exceeding 90 days, but in some cases the Group also regards credit impairment as having occurred if internal or external information demonstrates that the contract amount may not be recovered in full before considering any credit enhancement. The credit impairment of financial assets may be engendered by the combination of multiple events, not necessarily by individual identifiable events.

Evidence that a credit impairment of a financial asset has happened incorporates the following observable information: the issuer or the debtor undergoes serious financial difficulties; breach of contracts by the debtor, such as default or delay in payment of interest or principal; the Group gives concessions to the debtor that it would not have made in any other circumstances for economic or contractual reasons relating to the debtor's financial difficulties; the debtor is likely to become insolvent or undergo other financial restructuring; the issuer or the debtor's financial difficulties will make an active market for the financial asset disappear.

(3) Liquidity risk

Liquidity risk means the Company will not be able to perform its financial obligations on the maturity date. The Company's method to managing liquidity risk is to assure that there is sufficient liquidity to fulfill obligations as they mature, without incurring unacceptable losses or causing damage to the Company's reputation. The Company regularly analyses the structure and maturity of its liabilities to ensure adequate funding. The Company's management supervise the use of bank borrowings and ensures compliance with the borrowing agreements. Meanwhile, the Company shall conduct financing consultations with financial institutions to maintain a certain credit line and reduce liquidity risks.

SECTION 8 FINANCIAL REPORT

XII. RRISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (Continued)

2. Hedging

(1). The Company conducts hedging business for risk management

☐ Applicable ☒ N/A

Other explanations

☐ Applicable ☒ N/A

(2). The Company conducts eligible hedging business and applies hedge accounting

☐ Applicable ☒ N/A

Other explanations

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

XII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS *(Continued)*

2. Hedging *(Continued)*

- (3). The Company conducts hedging business for risk management and expects to achieve the risk management objectives, but does not apply hedge accounting

☒ Applicable ☐ N/A

Item	Reasons for Not Applying Hedge Accounting	Impact on Financial Statements
Foreign exchange forward contracts	The Company engages in foreign exchange derivative transactions closely related to its daily operations and strictly controls risks. Considering the short duration of such transactions and the cost-benefit of processing hedge accounting-related financial information, hedge accounting was not applied in the current period.	Foreign exchange forward contracts are accounted for and presented in accordance with Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments.
Commodity options contracts	The Company strictly conducts futures contract transactions corresponding to the dynamic quantity of spot goods and strictly controls risks. Considering the short duration of commodity futures trading and the cost-benefit of processing hedge accounting-related financial information, hedge accounting was not applied in the current period.	Futures contracts are accounted for and presented in accordance with Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, and are accounted for separately from spot transactions.

Other explanations

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

XII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (Continued)

3. Transfer of financial assets

(1). By transfer method

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Transfer method	Nature of financial assets transferred	Amount of financial assets transferred	Confirmation of derecognition	Basis for derecognition
Endorsement/ discounting	Notes receivable	216,495,131.95	Not derecognised	Where the Company retains almost all the risks and rewards, including the risk of default associated with it
Total	/	216,495,131.95	/	/

(2). Financial assets derecognised due to transfer

☐ Applicable ☒ N/A

(3). Transferred financial assets with continuing involvement

☐ Applicable ☒ N/A

Other explanations

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

XIII. FAIR VALUE DISCLOSURE

1. Fair value of assets and liabilities measured at fair value as at the end of the period

✓ Applicable □ N/A

Unit: Yuan Currency: RMB

Item	Fair value measurements categorised into Level 1	Fair value at the end of the period		Total
		Fair value measurements categorised into Level 2	Fair value measurements categorised into Level 3	
I. Measurement of fair value on an ongoing basis				
(I) Financial assets held for trading	164,028,294.51	1,757,163,845.30	1,044,510,814.77	2,965,702,954.58
1. Financial assets measured at fair value through profit or loss	164,028,294.51	1,757,163,845.30	1,044,510,814.77	2,965,702,954.58
(1) Investment in debt instruments	–	477,589,086.74	216,859,218.19	694,448,304.93
(2) Investment in equity instruments	141,147,599.22	828,375,680.52	827,651,596.58	1,797,174,876.32
(3) Derivative financial assets	22,880,695.29	–	–	22,880,695.29
(4) Bank wealth management products		451,199,078.04		451,199,078.04
2. Financial assets designated at fair value through profit or loss				
(1) Investment in debt instruments				
(2) Investment in equity instruments				
(II) Other debt investment				
(III) Investment in other equity instruments			28,719,822.20	28,719,822.20
(IV) Investment properties				
1. Leased land use rights				
2. Leased buildings				
3. land use rights held for sale after appreciation				

SECTION 8 FINANCIAL REPORT

XIII. FAIR VALUE DISCLOSURE (Continued)

1. Fair value of assets and liabilities measured at fair value as at the end of the period (Continued)

Item	Fair value measurements categorised into Level 1	Fair value at the end of the period		Total
		Fair value measurements categorised into Level 2	Fair value measurements categorised into Level 3	
(V) Biological assets				
1. Consumable biological assets				
2. Productive biological assets				
(VI) Other non-current financial assets		4,453,808,290.20		4,453,808,290.20
Total assets measured at fair value on an ongoing basis	164,028,294.51	6,210,972,135.50	1,073,230,636.97	7,448,231,066.98
(VII) Financial liabilities held for trading	80,151,545.81	672,635,891.10		752,787,436.91
1. Financial liabilities measured at fair value through profit or loss		658,249,023.19		658,249,023.19
Including: Issued tradable bonds				
Derivative financial liabilities				
Others				
2. Financial liabilities designated at fair value through profit or loss	80,151,545.81	14,386,867.91		94,538,413.72
(VIII) Derivative financial liabilities	10,167,907.64	31,968,021.38		42,135,929.02
Total liabilities measured at fair value on an ongoing basis	90,319,453.45	704,603,912.48		794,923,365.93
II. Non-continuous measurement of fair value				
(I) Assets held for trading				
Total assets measured at fair value not on an ongoing basis				
Total liabilities measured at fair value not on an ongoing basis				

SECTION 8 FINANCIAL REPORT

XIII. FAIR VALUE DISCLOSURE (Continued)

2. Basis for determining the market value of continuous and non-continuous level 1 fair value measurement items

✓ Applicable ☐ N/A

Financial assets held for trading include stocks, bonds, and equity investments, for which the quoted prices obtained from exchanges serve as the basis for determination.

3. Qualitative and quantitative information on the valuation techniques used and important parameters for continuous and non-continuous level 2 fair value measurement items

✓ Applicable ☐ N/A

Asset management plans, trust plans, private investment funds, etc., classified as financial assets held for trading and other non-current financial assets, are valued based on the valuation of the underlying assets, using the net asset value as the valuation basis. Stocks within other non-current financial assets are determined using the comparable company method, applying a certain liquidity discount, with significant parameters being observable inputs. Financial liabilities held for trading related to gold leasing are adjusted and determined based on prices published by the Shanghai Gold Exchange. Interests in structured entities and other holdings within financial liabilities held for trading are valued based on the valuation of the underlying assets, using the net asset value as the valuation basis.

4. Qualitative and quantitative information on the valuation techniques used and important parameters for continuous and non-continuous level 3 fair value measurement items

✓ Applicable ☐ N/A

Funds and asset management plans classified as financial assets held for trading and other non-current financial assets are calculated based on the valuation of the underlying assets or the net asset value method. Trust plans within other non-current financial assets are determined based on the expected rate of return. Other equity instrument investments, such as Shanghai Gold Exchange membership seats and futures membership seats, lack an active market and are measured at cost.

SECTION 8 FINANCIAL REPORT

XIII. FAIR VALUE DISCLOSURE *(Continued)*

5. Reconciliation of opening and closing book value for continuous level 3 fair value measurement items and sensitive analysis of unobservable inputs

☒ Applicable ☐ N/A

For continuous level 3 fair value measurements, fair value is determined using valuation techniques, such as discounted cash flow models and the comparable company method. These primarily involve private equity funds and trust plans. Trust plans are valued using discounted cash flow models. The underlying investments of private equity funds primarily consist of unlisted equity. The comparable company method is applied to select comparable companies in the same industry with similar key financial indicators to the target company, calculating the PE, PB, and PS of these comparable companies. A liquidity discount is considered, the expected exit date of the equity is estimated, the volatility of the comparable companies is calculated, and an option model is used to compute the liquidity discount for the comparable companies. The classification within Level 3 fair value measurement is generally determined based on the significance of unobservable inputs to the entire fair value measurement.

6. Reason for conversion for transfer between levels during the current period for continuous fair value measurement items, and policies for determination of time point of the conversion

☐ Applicable ☒ N/A

7. Changes in valuation techniques during the current period and reason for such change

☐ Applicable ☒ N/A

8. Fair value of financial assets and financial liabilities not measured at fair value

☐ Applicable ☒ N/A

9. Others

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. The Parent Company of the Company

☒ Applicable ☐ N/A

Unit: RMB0'000 Currency: RMB

Name of the parent company	Place of registration	Business nature	Registered capital	Shareholding ratio of the parent company in the Company (%)	Proportion of voting rights of the parent company in the Company (%)
Shandong Gold Group Co., Ltd.	Jinan	Gold geological exploration	366,000.00	45.3032	45.3032

Explanation of the parent company of the Company

The principal business of the parent includes: gold geological exploration and mining; power supply for gold mines; purification, processing, production, and sales of gold jewelry; gold beneficiation and smelting and technical services; purification, processing, production, and sales of precious metal and non-ferrous metal products; production and sales of specialized equipment and supplies for gold mines, and building materials; property management.

The ultimate controlling party of the Company is the State-owned Assets Supervision and Administration Commission of Shandong Provincial People's Government.

2. Subsidiaries of the company

For the details of subsidiaries of the Company, please refer to the note

☒ Applicable ☐ N/A

For details of subsidiaries, please refer to the section "X. 1. (1) Constitution of the Group" in this note

SECTION 8 FINANCIAL REPORT

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

3. Joint ventures and associates of the company

For details of major joint ventures and associates of the Company, please refer to the note

☒ Applicable ☐ N/A

For details of major joint ventures and associates of the Company, please refer to Note “X. 3. (1) Major joint ventures and associates”.

Balance of related party transaction between the Company and its joint ventures or associates during the period or prior periods are as follows

☐ Applicable ☒ N/A

4. Other related parties

☒ Applicable ☐ N/A

Name of other related parties	Relationship between other related parties and the Company
SDG Electricity Co., Ltd. (山東黃金電力有限公司)	A wholly owned subsidiary of the parent company
SDG Design and Consultancy Co., Ltd. (山金設計諮詢有限公司)	A wholly owned subsidiary of the parent company
Shandong Gold Jinchuang Group Co., Ltd. (山東黃金金創集團有限公司)	A wholly owned subsidiary of the parent company
Shandong Gold Senior Technical School (山東黃金高級技工學校)	A wholly owned subsidiary of the parent company
SDG (Beijing) Industry Investment Co., Ltd. (山東黃金(北京)產業投資有限公司)	A wholly owned subsidiary of the parent company
Shandong Geological Mining Engineering Group Co., Ltd. (山東省地礦工程集團有限公司)	A wholly owned subsidiary of the parent company
Shandong Gold Group Construction Engineering Co., Ltd. (山東黃金集團建設工程有限公司)	A wholly owned subsidiary of the parent company
SDG Enterprise Management (Shandong) Co., Ltd. (山金企業管理(山東)有限公司)	A wholly owned subsidiary of the parent company
Shandong Gold Group (Shanghai) International Trade Co., Ltd. (山東黃金集團(上海)國際貿易有限公司)	A wholly owned subsidiary of the parent company
Shandong Gold Group Qingdao Gold Co., Ltd. (山東黃金集團青島黃金有限公司)	A wholly owned subsidiary of the parent company
SDG Automobile Services Co., Ltd. (山東黃金汽車服務有限責任公司)	A wholly owned subsidiary of the parent company
Shanjin Ruipeng (Tianjin) Trading Co., Ltd. (山金瑞鵬(天津)貿易有限公司)	Others
Hainan Shanjin Mining Co., Ltd. (海南山金礦業有限公司)	Others
Qingdao Jinxing Mining Co., Ltd. (青島金星礦業股份有限公司)	Others
Qinghai Kunlun Gold Co., Ltd. (青海崑崙黃金有限公司)	Others

SECTION 8 FINANCIAL REPORT

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

4. Other related parties (Continued)

Name of other related parties	Relationship between other related parties and the Company
Shandong Gold Geological Mine Exploration Co., Ltd. (山東黃金地質礦產勘查有限公司)	Others
Shandong Jinchuang Gold and Silver Smelting Co., Ltd. (山東金創金銀冶煉有限公司)	Others
Shandong Jinchuang Co., Ltd. (山東金創股份有限公司)	Others
Chifeng Shanjin Gold Silver Lead Co., Ltd. (赤峰山金銀鉛有限公司)	Others
SDG Engineering Construction Supervision Co., Ltd. (山東省黃金工程建設監理有限公司)	Others
Inner Mongolia Shanjin Geological Mine Exploration Co., Ltd. (內蒙古山金地質礦產勘查有限公司)	Others
SDG Property Management Co., Ltd. (山東黃金物業管理有限公司)	Others
Penglai Jinchuang Precision Casting Co., Ltd. (蓬萊金創精密鑄造有限公司)	Others
Penglai Jinfu Stainless Steel Products Co., Ltd. (蓬萊金福不鏽鋼製品有限公司)	Others
Penglai Jinxin Cooper Industry Co., Ltd. (蓬萊金馨銅業有限公司)	Others
Shandong Decoration Group Co., Ltd. (山東省裝飾集團有限公司)	Others
Songxian Shanjin Mining Co., Ltd. (嵩縣山金礦業有限公司)	Others
Chifeng Shanjin Hongling Non-ferrous Mining Co., Ltd. (赤峰山金紅嶺有色礦業有限責任公司)	Others
Chifeng Shanjin Ruipeng Trading Co., Ltd. (赤峰山金瑞鵬貿易有限公司)	Others
Laizhou Ludi Mining Investment and Development Co., Ltd. (萊州魯地礦業投資開發有限公司)	Others
Qingdao Gold Lead and Zinc Development Co., Ltd. (青島黃金鉛鋅開發有限公司)	Others
Shandong Gold Financial Holdings Group (HongKong) Co., Limited (山東黃金金融控股集團(香港)有限公司)	Others
XilinGol League Shanjin Baiyin Hubu Mining Co., Ltd. (錫林郭勒盟山金白音呼布礦業有限公司)	Others
XilinGol League Shanjin Aershada Mining Co., Ltd. (錫林郭勒盟山金阿爾哈達礦業有限公司)	Others
Qinghai Shanjin Mining Co., Ltd. (青海山金礦業有限公司)	Others
Fujian Province Zhenghe Hongkun Mining Co., Ltd. (福建省政和縣宏坤礦業有限公司)	Others

SECTION 8 FINANCIAL REPORT

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

4. Other related parties (Continued)

Name of other related parties	Relationship between other related parties and the Company
Fujian Zhenghe Xiangluping Mining Co., Ltd. (福建省政和縣香爐坪礦業有限公司)	Others
Hulunbuir Shanjin Mining Co., Ltd. (呼倫貝爾山金礦業有限公司)	A wholly owned subsidiary of the parent company
Shandong Gold Group (Hainan) International Trade Co., Ltd. (山東黃金集團(海南)國際貿易有限公司)	A wholly owned subsidiary of the parent company
Shanjin Ruipeng (Shanghai) Trading Co., Ltd. (山金瑞鵬(上海)貿易有限公司)	Others
Shanjin Guocheng (Qingdao) Industrial Co., Ltd. (山金國城(青島)實業有限公司)	Others
Zhaoyuan Jiuzhou Mining Co., Ltd. (招遠市九洲礦業有限公司)	A holding subsidiary of the parent company
SDG Group Laizhou Mining Co., Ltd. (山東黃金集團萊州礦業有限公司)	Others
Shandong Ruipeng (Shanghai) Trading Co., Ltd. (山東瑞鵬(上海)貿易有限公司)	Others
Shanjin Huilan (Shanghai) Business Management Co., Ltd. (山金惠嵐(上海)商業管理有限公司)	Others
Yantai Jinchang Automobile Service Co., Ltd. (煙台金暢汽車服務有限責任公司)	Others
Shandong Gold Non-ferrous Metal Mine Group Co., Ltd. (山東黃金有色礦業集團有限公司)	A wholly owned subsidiary of the parent company
Shandong Geological Mining Engineering Group Testing Technology Co., Ltd. (山東省地礦工程集團檢測技術有限公司)	Others
Fujian Province Zhenghe Dayuan Mining Co., Ltd. (福建省政和縣大源礦業有限公司)	Others
SDG Venture Capital Co., Ltd. (山東黃金創業投資有限公司)	A wholly owned subsidiary of the parent company
Shandong Gold Group (Shenzhen) Gold Jewelry Co., Ltd. (山東黃金集團(深圳)黃金珠寶有限公司)	A holding subsidiary of the parent company
Shandong Gold Financial Holdings Group (HongKong) Co., Limited (山東黃金金控集團(香港)有限公司)	Others
Shandong Yiyang Health Group Industrial Holdings Co., Ltd. (山東頤養健康集團實業控股有限公司)	Others
Laizhou Xinyuan Mining Investment and Development Co., Ltd. (萊州鑫源礦業投資開發有限公司)	A wholly owned subsidiary of the parent company
SDG Group Xinyuan Mining Co., Ltd. (山東黃金集團新源礦業有限公司)	A wholly owned subsidiary of the parent company

SECTION 8 FINANCIAL REPORT

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions

(1). Related party transactions of purchase and sales of goods and rendering and receiving services

Table on purchase of goods/receiving of services

✓ Applicable □ N/A

Unit: RMB0'000 Currency: RMB

Related party	Related transaction content	Amount for the current period	Transaction facility approved (if applicable)	Whether the transaction facility is exceeded (if applicable)	Amount for the last period
SDG Electricity Co., Ltd. (山東黃金電力有限公司)	Electricity fees, engineering labor costs, materials, etc.	34,302.20			34,640.96
Hainan Shanjin Mining Co., Ltd. (海南山金礦業有限公司)	Alloy gold	22,024.59			18,888.17
Qingdao Jinxing Mining Co., Ltd. (青島金星礦業股份有限公司)	Alloy gold	10,233.13			9,201.16
Qinghai Kunlun Gold Co., Ltd. (青海昆侖黃金有限公司)	Alloy gold, processing fees	22,048.17			10,398.43
Shandong Gold Geological Mine Exploration Co., Ltd. (山東黃金地質礦產勘查有限公司)	Labor engineering, lab fees, exploration fees, report preparation fees, etc.	372.08			11.22
SDG Design and Consultancy Co., Ltd. (山金設計諮詢有限公司)	Equipment and materials costs, design fees, engineering labor costs, etc.	418.05			156.60
Shandong Jinchuang Gold and Silver Smelting Co., Ltd. (山東金創金銀冶煉有限公司)	Processing fees	1,820.23			1,607.37
Shandong Gold Jinchuang Group Co., Ltd. (山東黃金金創集團有限公司)	Alloy gold				41,991.96
Shandong Gold Senior Technical School	Training fees	1,466.34			1,124.96
SDG Engineering Construction Supervision Co., Ltd. (山東省黃金工程建設監理有限公司)	Supervision fees, consulting fees	382.30			202.75
Inner Mongolia Shanjin Geological Mine Exploration Co., Ltd. (內蒙古山金地質礦產勘查有限公司)	Surveying fees	1,792.61			75.21
SDG Enterprise Management (Shandong) Co., Ltd. (山金企業管理(山東)有限公司)	Electricity fees, property management fees, service fees	4,654.56			2,945.99

SECTION 8 FINANCIAL REPORT

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(1). Related party transactions of purchase and sales of goods and rendering and receiving services (Continued)

Table on purchase of goods/receiving of services (Continued)

Related party	Related transaction content	Amount for the current period	Transaction facility approved (if applicable)	Whether the transaction facility is exceeded (if applicable)	Amount for the last period
Shandong Geological Mining Engineering Group Co., Ltd. (山東省地礦工程集團有限公司)	Appraisal service fees, technical service fees	3,893.77			1,716.17
Shandong Gold Group Construction Engineering Co., Ltd. (山東黃金集團建設工程有限公司)	Engineering costs, decoration fees	6,835.78			4,057.87
Penglai Jinchuang Precision Casting Co., Ltd. (蓬萊金創精密鑄造有限公司)	Materials	298.33			631.22
Penglai Jinfu Stainless Steel Products Co., Ltd. (蓬萊金福不鏽鋼製品有限公司)	Purchase of rock bolts, mesh screens, bolt plates	95.48			196.33
Penglai Jinxin Cooper Industry Co., Ltd. (蓬萊金馨銅業有限公司)	Purchase of rock bolts, mesh screens	1,356.61			833.94
Shandong Geological Mining Engineering Group Testing Technology Co., Ltd. (山東省地礦工程集團檢測技術有限公司)	Environmental monitoring and geological environment monitoring	2.60			29.29
Chifeng Shanjin Ruipeng Trading Co., Ltd. (赤峰山金瑞鵬貿易有限公司)	Lead ingots				732.39
Fujian Province Zhenghe Dayuan Mining Co., Ltd. (福建省政和縣大源礦業有限公司)	Technical services				46.00
Yantai Jinchang Automobile Service Co., Ltd. (煙台金暢汽車服務有限責任公司)	Engineering costs	317.56			70.65
SDG Property Management Co., Ltd. (山東黃金物業管理有限公司)	Property services				106.44
Chifeng Shanjin Gold Silver Lead Co., Ltd. (赤峰山金銀鉛有限公司)	Alloy gold	11,985.17			
SDG Automobile Services Co., Ltd. (山東黃金汽車服務有限責任公司)	Labor fees	5.66			
Shanjin Huilan (Shanghai) Business Management Co., Ltd. (山金惠嵐(上海)商業管理有限公司)	Property management fees, parking, consumables	64.99			0.11

SECTION 8 FINANCIAL REPORT

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(1). Related party transactions of purchase and sales of goods and rendering and receiving services (Continued)

Table on sales of goods/providing of services

✓ Applicable □ N/A

Unit: RMB0'000 Currency: RMB

Related party	Related transaction content	Amount for the current period	Amount for the last period
Shandong Jinchuang Gold and Silver Smelting Co., Ltd. (山東金創金銀冶煉有限公司)	Concentrate silver	2,685.60	373.95
Qinghai Kunlun Gold Co., Ltd. (青海昆侖黃金有限公司)	Gold, processing fees	13,110.82	13,351.55
Qingdao Gold Lead and Zinc Development Co., Ltd. (青島黃金鉛鋅開發有限公司)	Froth ore lead-zinc	1,339.03	351.56
Chifeng Shanjin Hongling Non-ferrous Mining Co., Ltd. (赤峰山金紅嶺有色礦業有限責任公司)	Equipment costs, technical service fees	363.46	8.64
Songxian Shanjin Mining Co., Ltd. (嵩縣山金礦業有限公司)	Equipment costs	926.06	
Chifeng Shanjin Ruipeng Trading Co., Ltd. (赤峰山金瑞鵬貿易有限公司)	Zinc concentrate, silver content in zinc concentrate, alloy gold, futures handling fees	23,493.44	16,411.99
Chifeng Shanjin Gold Silver Lead Co., Ltd. (赤峰山金銀鉛有限公司)	By-products, futures handling fees	754.08	1,777.99
Fujian Province Zhenghe Hongkun Mining Co., Ltd.	Equipment costs	64.60	
Shandong Gold Group Construction Engineering Co., Ltd	Sales of goods, water fees	2.35	
Shanjin Ruipeng (Shanghai) Trading Co., Ltd. (山金瑞鵬(上海)貿易有限公司)	Concentrate sales	3,828.00	2,465.36
Shanjin Ruipeng (Tianjin) Trading Co., Ltd. (山金瑞鵬(天津)貿易有限公司)	Concentrate sales	14,928.11	14,937.85
Shandong Gold Jinchuang Group Co., Ltd. (山東黃金金創集團有限公司)	Contracted engineering projects	141.57	410.34
XilinGol League Shanjin Aershada Mining Co., Ltd. (錫林郭勒盟山金阿爾哈達礦業有限公司)	Mining equipment		145.13
Shandong Jinchuang Co., Ltd. (山東金創股份有限公司)	Technical services		2.79

SECTION 8 FINANCIAL REPORT

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(1). Related party transactions of purchase and sales of goods and rendering and receiving services (Continued)

Table on sales of goods/providing of services (Continued)

Related party	Related transaction content	Amount for the current period	Amount for the last period
Shandong Geological Mining Engineering Group Co., Ltd. (山東省地礦工程集團有限公司)	Material costs	262.39	0.91
Qingdao Jinxing Mining Co., Ltd. (青島金星礦業股份有限公司)	Occupational health examinations		0.71
SDG Venture Capital Co., Ltd. (山東黃金創業投資有限公司)	Vaccination services		0.02
Shandong Gold Senior Technical School (山東黃金高級技工學校)	Other business income		3.81
Shandong Gold Group (Shenzhen) Gold Jewelry Co., Ltd. (山東黃金集團(深圳)黃金珠寶有限公司)	Gold	9,123.14	6,384.13
Shandong Gold Group Finance Co., Ltd. (山東黃金集團財務有限公司)	Vaccination services		0.19
Fujian Province Zhenghe Dayuan Mining Co., Ltd. (福建省政和縣大源礦業有限公司)	Technical services	7.50	24.53
Hainan Shanjin Mining Co., Ltd. (海南山金礦業有限公司)	Mining equipment		1.22
Shandong Gold Group (Hainan) International Trade Co., Ltd. (山東黃金集團(海南)國際貿易有限公司)	Futures handling fees	0.05	0.02
Shandong Gold Group (Shanghai) International Trade Co., Ltd. (山東黃金集團(上海)國際貿易有限公司)	Futures handling fees	0.03	0.11
Shanjin Guocheng (Qingdao) Industrial Co., Ltd. (山金國城(青島)實業有限公司)	Futures handling fees	0.03	0.04
Laizhou Ludi Mining Investment and Development Co., Ltd. (萊州魯地礦業投資開發有限公司)	Office supplies, etc.	0.20	
Qinghai Shanjin Mining Co., Ltd. (青海山金礦業有限公司)	Equipment costs	5.25	
XilinGol League Shanjin Baiyin Hubu Mining Co., Ltd. (錫林郭勒盟山金白音呼布礦業有限公司)	Equipment costs	24.37	

Explanation about related party transactions of purchase and sales of goods and rendering and receiving services

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(2). Related entrusted management/contracting and entrusted management/outsourcing

Statement on entrusting management/contracting by the Company:

☒ Applicable ☐ N/A

Unit: RMB0'000 Currency: RMB

Entrusting party	Entrusted party	Type of entrustment	Date of the commencement of the trusteeship	Date of the termination of the trusteeship	Basis of pricing for the trusteeship	Entrusted revenue recognised in the current period
Shandong Gold Group Co., Ltd.	Shandong Gold Mining Co., Ltd.	Equity trusteeship	2021.1.1, 2022.11.10	Until the entrusted equity is transferred and the transfer is completed by the entrusting party	RMB1.8868 million/year	94.34
Shandong Gold Group Qingdao Gold Co., Ltd.	Shandong Gold Mining Co., Ltd.	Equity trusteeship	2021.1.1	Until the entrusted equity is transferred and the transfer is completed by the entrusting party	RMB0.3774 million/year	18.87
Shandong Gold Non-ferrous Metal Mine Group Co., Ltd.	Shandong Gold Mining Co., Ltd.	Equity trusteeship	2021.1.1	Until the entrusted equity is transferred and the transfer is completed by the entrusting party	RMB1.3208 million/year	66.04
Laizhou Xinyuan Mining Investment and Development Co., Ltd. (萊州鑫源礦業投資開發有限公司)	Shandong Gold Mining Co., Ltd.	Equity trusteeship	2021.1.1	Until the entrusted equity is transferred and the transfer is completed by the entrusting party	RMB0.1887 million/year	9.44

SECTION 8 FINANCIAL REPORT

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(2). Related entrusted management/contracting and entrusted management/outsourcing (Continued)

Explanation about related trusteeship/contracting

☐ Applicable ☒ N/A

Statement on entrusted management/outsourcing by the Company:

☐ Applicable ☒ N/A

Explanation about related management/contracting

☐ Applicable ☒ N/A

(3). Related leasing

The Company as lessor:

☒ Applicable ☐ N/A

Unit: RMB0'000 Currency: RMB

Name of lessee	Type of leased asset	Lease income recognised for the current period	Lease income recognised for the last period
Fujian Province Zhenghe Hongkun Mining Co., Ltd. (福建省政和縣宏坤礦業有限公司)	Equipment		9.26
Fujian Zhenghe Xiangluping Mining Co., Ltd. (福建省政和縣香爐坪礦業有限公司)	Equipment		1.49
SDG Group Laizhou Mining Co., Ltd. (山東黃金集團萊州礦業有限公司)	Housing		18.31
Qingdao Gold Lead and Zinc Development Co., Ltd. (青島黃金鉛鋅開發有限公司)	Housing, equipment	31.75	41.67
Shandong Gold Senior Technical School (山東黃金高級技工學校)	Housing		41.28

SECTION 8 FINANCIAL REPORT

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(3). Related leasing (Continued)

The Company as lessee:

☒ Applicable ☐ N/A

Unit: RMB0'000 Currency: RMB

Name of lessor	Type of leased asset	Amount for the current period					Amount for the last period				
		Short-term lease and low-value asset lease expense under simplified approach (if applicable)	Variable lease payments not included in the measurement of the lease liabilities (if applicable)	Rental expenses	Interest of lease liabilities	Right-of-use asset acquired	Short-term lease and low-value asset lease expense under simplified approach (if applicable)	Variable lease payments not included in the measurement of the lease liabilities (if applicable)	Rental expenses	Interest of lease liabilities	Right-of-use asset acquired
Shandong Gold Group Co., Ltd.	Trademark Usage Rights	68.87		68.87							
Shandong Gold Group Co., Ltd.	Land, buildings			849.60	148.22	6,356.98			373.78	55.70	
SDG Automobile Services Co., Ltd. (山東黃金汽車服務有限公司)	Transportation vehicles	20.68		128.32	11.66	58.84	90.40		157.39	5.39	
Yantai Jinchang Automobile Service Co., Ltd. (煙台金暢汽車服務有限公司)	Transportation vehicles	40.30		436.73	4.82		164.62		264.72	4.73	59.43
Shanjin Huilan (Shanghai) Business Management Co., Ltd. (山金惠嵐(上海)商业管理有限公司)	Buildings	22.70		491.89	76.19	2,696.39	22.83		958.68	55.56	0
Shandong Gold Group Qingdao Gold Co., Ltd.	Land				15.03					21.15	961.24
Fujian Province Zhenghe Hongkun Mining Co., Ltd.	Equipment								0.14		

Explanation about related leasing

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(4). Related party guarantee

The Company as guarantor

☐ Applicable ☒ N/A

The Company as guaranteed party

☐ Applicable ☒ N/A

Explanation about related guarantees

☐ Applicable ☒ N/A

(5). Funding from related party

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Related party	Amount of borrowing/loan	Inception date	Maturity date	Note
Funds received				
Shandong Gold Group Finance Co., Ltd.	200,000,000.00	2025-1-10	2025-1-15	Corporate overdraft
Shandong Gold Group Finance Co., Ltd.	200,000,000.00	2025-1-20	2025-1-23	Corporate overdraft
Shandong Gold Group Finance Co., Ltd.	60,000,000.00	2025-1-21	2025-1-26	Corporate overdraft
Shandong Gold Group Finance Co., Ltd.	200,000,000.00	2025-2-17	2025-2-20	Corporate overdraft
Shandong Gold Group Finance Co., Ltd.	60,000,000.00	2025-2-20	2025-2-26	Corporate overdraft
Shandong Gold Group Finance Co., Ltd.	200,000,000.00	2025-2-25	2025-2-28	Corporate overdraft
Shandong Gold Group Finance Co., Ltd.	300,000,000.00	2025-3-18	2025-3-21	Corporate overdraft
Shandong Gold Group Finance Co., Ltd.	300,000,000.00	2025-3-24	2025-3-28	Corporate overdraft

SECTION 8 FINANCIAL REPORT

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(5). Funding from related party

Related party	Amount of borrowing/loan	Inception date	Maturity date	Note
Shandong Gold Group Finance Co., Ltd.	300,000,000.00	2025-3-31	2025-4-2	Corporate overdraft
Shandong Gold Group Finance Co., Ltd.	300,000,000.00	2025-4-14	2025-4-15	Corporate overdraft
Shandong Gold Group Finance Co., Ltd.	300,000,000.00	2025-4-16	2025-4-23	Corporate overdraft
Shandong Gold Group Finance Co., Ltd.	30,000,000.00	2025-4-18	2025-4-24	Corporate overdraft
Shandong Gold Group Finance Co., Ltd.	300,000,000.00	2025-4-24	2025-4-30	Corporate overdraft
Shandong Gold Group Finance Co., Ltd.	18,000,000.00	2024-12-23	2025-12-22	General loan
Shandong Gold Group Finance Co., Ltd.	39,500,000.00	2023-4-12	2026-4-11	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2023-4-12	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	24,600,000.00	2023-9-18	2026-9-17	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2023-9-18	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	15,000,000.00	2024-7-12	2025-6-30	General loan
Shandong Gold Group Finance Co., Ltd.	19,800,000.00	2025-5-19	2028-5-18	General loan
Shandong Gold Group Finance Co., Ltd.	200,000.00	2025-5-19	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	21,800,000.00	2025-6-10	2028-6-9	General loan
Shandong Gold Group Finance Co., Ltd.	200,000.00	2025-6-10	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	10,000,000.00	2024-3-18	2025-3-17	General loan
Shandong Gold Group Finance Co., Ltd.	15,000,000.00	2024-3-29	2025-3-28	General loan
Shandong Gold Group Finance Co., Ltd.	20,000,000.00	2024-5-27	2025-5-26	General loan
Shandong Gold Group Finance Co., Ltd.	10,000,000.00	2024-6-24	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	30,000,000.00	2024-12-25	2025-12-24	General loan
Shandong Gold Group Finance Co., Ltd.	19,800,000.00	2024-7-4	2027-7-3	General loan

SECTION 8 FINANCIAL REPORT

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(5). Funding from related party

Related party	Amount of borrowing/loan	Inception date	Maturity date	Note
Shandong Gold Group Finance Co., Ltd.	100,000.00	2024-7-4	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	9,700,000.00	2023-12-26	2026-12-25	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2023-12-26	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	19,700,000.00	2024-5-27	2027-5-26	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2024-5-27	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	24,800,000.00	2024-8-7	2027-8-6	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2024-8-7	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	97,000,000.00	2024-11-13	2025-11-12	General loan
Shandong Gold Group Finance Co., Ltd.	97,000,000.00	2024-7-23	2025-7-22	General loan
Shandong Gold Group Finance Co., Ltd.	100,000,000.00	2024-9-6	2025-9-5	General loan
Shandong Gold Group Finance Co., Ltd.	100,000,000.00	2024-9-14	2025-9-13	General loan
Shandong Gold Group Finance Co., Ltd.	95,000,000.00	2025-1-15	2026-1-14	General loan
Shandong Gold Group Finance Co., Ltd.	59,700,000.00	2024-1-22	2027-1-21	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2024-1-22	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	39,700,000.00	2024-3-5	2027-3-4	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2024-3-5	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	67,800,000.00	2024-8-21	2027-8-20	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2024-8-21	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	39,000,000.00	2024-9-9	2027-9-8	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2024-9-9	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	21,000,000.00	2024-10-11	2027-10-10	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2024-10-11	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	69,000,000.00	2024-11-7	2027-11-6	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2024-11-7	2025-6-23	General loan

SECTION 8 FINANCIAL REPORT

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(5). Funding from related party

Related party	Amount of borrowing/loan	Inception date	Maturity date	Note
Shandong Gold Group Finance Co., Ltd.	39,500,000.00	2025-2-24	2028-2-23	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2025-2-24	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	19,800,000.00	2025-5-26	2028-5-25	General loan
Shandong Gold Group Finance Co., Ltd.	200,000.00	2025-5-26	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	29,500,000.00	2025-6-6	2028-6-5	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2025-6-6	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	40,000,000.00	2024-1-12	2025-1-11	General loan
Shandong Gold Group Finance Co., Ltd.	20,000,000.00	2024-1-26	2025-1-25	General loan
Shandong Gold Group Finance Co., Ltd.	30,000,000.00	2024-3-26	2025-3-25	General loan
Shandong Gold Group Finance Co., Ltd.	39,000,000.00	2024-4-30	2025-4-29	General loan
Shandong Gold Group Finance Co., Ltd.	28,000,000.00	2024-6-4	2025-6-3	General loan
Shandong Gold Group Finance Co., Ltd.	19,000,000.00	2024-7-18	2025-7-17	General loan
Shandong Gold Group Finance Co., Ltd.	20,000,000.00	2024-7-24	2025-7-23	General loan
Shandong Gold Group Finance Co., Ltd.	30,000,000.00	2024-8-21	2025-8-20	General loan
Shandong Gold Group Finance Co., Ltd.	10,000,000.00	2024-9-25	2025-9-24	General loan
Shandong Gold Group Finance Co., Ltd.	29,800,000.00	2024-7-3	2027-7-2	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2024-7-3	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	37,800,000.00	2024-7-12	2027-7-11	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2024-7-12	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	29,000,000.00	2024-9-9	2027-9-8	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2024-9-9	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	44,000,000.00	2024-10-11	2027-10-10	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2024-10-11	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	39,500,000.00	2025-1-13	2028-1-12	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2025-1-13	2025-6-23	General loan

SECTION 8 FINANCIAL REPORT

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(5). Funding from related party

Related party	Amount of borrowing/loan	Inception date	Maturity date	Note
Shandong Gold Group Finance Co., Ltd.	19,700,000.00	2025-1-21	2028-1-20	General loan
Shandong Gold Group Finance Co., Ltd.	300,000.00	2025-1-21	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	30,000,000.00	2025-3-19	2028-3-18	General loan
Shandong Gold Group Finance Co., Ltd.	29,500,000.00	2025-3-25	2028-3-24	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2025-3-25	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	38,500,000.00	2025-4-29	2028-4-28	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2025-4-29	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	27,800,000.00	2025-6-3	2028-6-2	General loan
Shandong Gold Group Finance Co., Ltd.	200,000.00	2025-6-3	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	17,000,000.00	2024-3-18	2025-3-17	General loan
Shandong Gold Group Finance Co., Ltd.	23,000,000.00	2024-12-20	2025-12-19	General loan
Shandong Gold Group Finance Co., Ltd.	17,000,000.00	2025-3-17	2026-3-16	General loan
Shandong Gold Group Finance Co., Ltd.	570,000,000.00	2024-3-29	2025-3-28	General loan
Shandong Gold Group Finance Co., Ltd.	50,000,000.00	2024-12-3	2025-1-9	General loan
Shandong Gold Group Finance Co., Ltd.	35,000,000.00	2024-1-10	2025-1-9	General loan
Shandong Gold Group Finance Co., Ltd.	18,000,000.00	2024-5-7	2025-5-6	General loan
Shandong Gold Group Finance Co., Ltd.	30,000,000.00	2024-2-2	2025-2-1	General loan
Shandong Gold Group Finance Co., Ltd.	19,800,000.00	2024-7-24	2027-7-23	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2024-7-24	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	14,800,000.00	2024-8-16	2027-8-15	General loan
Shandong Gold Group Finance Co., Ltd.	100,000.00	2024-8-16	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	14,600,000.00	2024-10-17	2027-10-16	General loan
Shandong Gold Group Finance Co., Ltd.	200,000.00	2024-10-17	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	29,600,000.00	2024-11-11	2027-11-10	General loan

SECTION 8 FINANCIAL REPORT

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(5). Funding from related party

Related party	Amount of borrowing/loan	Inception date	Maturity date	Note
Shandong Gold Group Finance Co., Ltd.	200,000.00	2024-11-11	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	29,600,000.00	2024-11-27	2027-11-26	General loan
Shandong Gold Group Finance Co., Ltd.	200,000.00	2024-11-27	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	34,500,000.00	2025-1-9	2028-1-8	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2025-1-9	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	29,500,000.00	2025-2-5	2028-2-4	General loan
Shandong Gold Group Finance Co., Ltd.	500,000.00	2025-2-5	2025-6-23	General loan
Shandong Gold Group Finance Co., Ltd.	17,800,000.00	2025-5-6	2028-5-5	General loan
Shandong Gold Group Finance Co., Ltd.	200,000.00	2025-5-6	2025-6-23	General loan
Shandong Gold Group Co., Ltd.	127,000,000.00	2022-8-24	2025-8-24	General loan
Shandong Gold Group Co., Ltd.	475,000,000.00	2023-5-8	2026-3-27	General loan
Shandong Gold Group Co., Ltd.	158,000,000.00	2023-2-20	2026-2-13	General loan

Note: The interest rate range was 2.11%-3.09%. The total interest payable for the year amounted to RMB33.3642 million, while the actual interest repaid was RMB32.8362 million.

SECTION 8 FINANCIAL REPORT

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(6). Asset transfer and debt restructuring of related parties

☒ Applicable ☐ N/A

Unit: RMB0'000 Currency: RMB

Related party	Related party transaction particulars	Amount for the current period	Amount for the last period
Shandong Gold Geological Mine Exploration Co., Ltd.	Exploration permit		1,033,424.87

(7). Remuneration of key management personnel

☒ Applicable ☐ N/A

Unit: RMB0'000 Currency: RMB

Items	Amount for the current period	Amount for the last period
Remuneration of key management personnel	197	258

(8). Other related party transactions

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

6. Amounts Due from/to Related Parties and Other Outstanding Items

(1). Amounts due from related parties

✓ Applicable □ N/A

Unit: RMB0'000 Currency: RMB

Name of item	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	Qinghai Kunlun Gold Co., Ltd. (青海昆侖黃金有限公司)	10,336.43	516.82	9,733.61	487.08
Accounts receivable	Shandong Jinchuang Gold and Silver Smelting Co., Ltd. (山東金創金銀冶煉有限公司)	1,704.12	43.98	4,687.10	237.65
Accounts receivable	Shanjin Ruipeng (Tianjin) Trading Co., Ltd. (山金瑞鵬(天津)貿易有限公司)			1,733.32	86.67
Accounts receivable	Qingdao Jinxing Mining Co., Ltd. (青島金星礦業股份有限公司)	139.01	107.25	168.38	110.85
Accounts receivable	SDG Design and Consultancy Co., Ltd. (山金設計諮詢有限公司)	331.97	64.35	331.97	28.18
Accounts receivable	Fujian Province Zhenghe Hongkun Mining Co., Ltd. (福建省政和縣宏坤礦業有限公司)	566.33	73.99	530.87	28.06
Accounts receivable	Shandong Gold Senior Technical School (山東黃金高級技工學校)	14.64	2.93	14.64	2.93
Accounts receivable	Hainan Shanjin Mining Co., Ltd. (海南山金礦業有限公司)	0.30	0.03	0.29	0.01
Accounts receivable	Chifeng Shanjin Hongling Non-ferrous Mining Co., Ltd. (赤峰山金紅嶺有色礦業有限責任公司)	319.57	15.98		
Accounts receivable	XilinGol League Shanjin Baiyin Hubu Mining Co., Ltd. (錫林郭勒盟山金白音呼布礦業有限公司)			80.68	14.91
Accounts receivable	Fujian Province Zhenghe Dayuan Mining Co., Ltd. (福建省政和縣大源礦業有限公司)			42.00	2.10
Accounts receivable	Hulunbuir Shanjin Mining Co., Ltd. (呼倫貝爾山金礦業有限公司)	164.65	16.47	214.65	21.47
Accounts receivable	Shandong Jinchuang Co., Ltd. (山東金創股份有限公司)	1.86	0.37	13.65	0.90
Accounts receivable	Songxian Shanjin Mining Co., Ltd. (嵩縣山金礦業有限公司)	550.34	27.52		
Accounts receivable	SDG Electricity Company Limited (山東黃金電力有限公司)			4.18	0.21
Accounts receivable	Shandong Gold Jinchuang Group Co., Ltd. (山東黃金金創集團有限公司)			438.10	32.79
Accounts receivable	Xilingol League Shanjin Aershada Mining Co., Ltd. (錫林郭勒盟山金阿爾哈達礦業有限公司)			164.00	8.20

SECTION 8 FINANCIAL REPORT

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

6. Amounts Due from/to Related Parties and Other Outstanding Items (Continued)

(1). Amounts due from related parties (Continued)

Name of item	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	Chifeng Shanjin Ruipeng Trading Co., Ltd. (赤峰山金瑞鵬貿易有限公司)			9.21	0.46
Accounts receivable	SDG Group (Shenzhen) Gold Jewelry Co., Ltd. (山東黃金集團(深圳)黃金珠寶有限公司)	409.75	20.49		
Accounts receivable	SDG Financial Holdings Group (Hong Kong) Co., Limited (山東黃金金控集團(香港)有限公司)	9.71	0.49		
Accounts receivable	Qinghai Shanjin Mining Co., Ltd. (青海山金礦業有限公司)	5.57	0.28		
Other receivables	Shandong Yiyang Health Group Industrial Holdings Co., Ltd. (山東頤養健康集團實業控股有限公司)	366.97	18.35	366.97	18.35
Other receivables	Shandong Gold Group Co., Ltd. (山東黃金集團有限公司)	807.08	46.49	707.08	37.79
Other receivables	Chifeng Shanjin Hongling Non-ferrous Mining Co., Ltd. (赤峰山金紅嶺有色礦業有限責任公司)	63.38	0.63	49.24	0.49
Other receivables	SDG Automobile Services Co., Ltd. (山東黃金汽車服務有限責任公司)	10.61	0.53	10.61	10.61
Other receivables	Qingdao Jinxing Mining Co., Ltd. (青島金星礦業股份有限公司)	8.69	0.09	13.69	0.14
Other receivables	Fujian Province Zhenghe Hongkun Mining Co., Ltd. (福建省政和縣宏坤礦業有限公司)	12.34	0.12	5.04	0.05
Other receivables	Shandong Jinchuang Gold and Silver Smelting Co., Ltd. (山東金創金銀冶煉有限公司)	35.56	0.36	39.64	0.40
Other receivables	Songxian Shanjin Mining Co., Ltd. (嵩縣山金礦業有限公司)	107.15	1.07	14.80	0.15
Other receivables	Hulunbuir Shanjin Mining Co., Ltd. (呼倫貝爾山金礦業有限公司)	23.85	0.24	23.85	0.24
Other receivables	Shanghai Yangpu Branch of Shanjin Enterprise Management (Shandong) Co., Ltd. (山金企業管理(山東)有限公司上海楊浦分公司)	6.85	0.34	7.13	0.36
Other receivables	SDG Group (Shenzhen) Gold Jewelry Co., Ltd. (山東黃金集團(深圳)黃金珠寶有限公司)			373.41	18.67
Other receivables	Shandong Gold Group Qingdao Gold Co., Ltd. (山東黃金集團青島黃金有限公司)	20.00	1.00		
Other receivables	Laizhou Xinyuan Mining Investment and Development Co., Ltd. (萊州鑫源礦業投資開發有限公司)	20.00	1.00		

SECTION 8 FINANCIAL REPORT

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

6. Amounts Due from/to Related Parties and Other Outstanding Items (Continued)

(1). Amounts due from related parties (Continued)

Name of item	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Other receivables	SDG Property Management Co., Ltd. (山東黃金物業管理有限公司)	2.53	0.13		
Other receivables	SDG Financial Holdings Group (Hong Kong) Co., Limited (山東黃金金控集團(香港)有限公司)	17.90	0.90		
Other receivables	Xilingol League Shanjin Aershada Mining Co., Ltd. (錫林郭勒盟山金阿爾哈達礦業有限公司)	32.80	0.33		
Other receivables	SDG Venture Capital Co., Ltd. (山東黃金創業投資有限公司)	7.78	0.39		
Other receivables	SDG Design and Consultancy Co., Ltd. (山金設計諮詢有限公司)	2.89	0.14		
Other non-current assets	Shandong Gold Group Construction Engineering Co., Ltd. (山東黃金集團建設工程有限公司)	41.12		546.17	
Other non-current assets	SDG Electricity Company Limited (山東黃金電力有限公司)	59.40		116.44	
Other non-current assets	SDG Design and Consultancy Co., Ltd. (山金設計諮詢有限公司)			66.00	
Other non-current assets	Shandong Provincial Geo-Mineral Engineering Co., Ltd. (山東省地礦工程集團有限公司)			89.99	
Notes receivable	Qinghai Kunlun Gold Co., Ltd. (青海昆侖黃金有限公司)	2,628.58	131.43	9,530.00	476.50
Notes receivable	Chifeng Shanjin Hongling Non-ferrous Mining Co., Ltd. (赤峰山金紅嶺有色礦業有限責任公司)			189.40	7.02
Notes receivable	Qingdao Jinxing Mining Co., Ltd. (青島金星礦業股份有限公司)	20.00		5.00	0.25
Notes receivable	Shandong Gold Jinchuang Group Co., Ltd. (山東黃金金創集團有限公司)	24.00		527.34	26.37
Notes receivable	Chifeng Shanjin Gold Silver Lead Co., Ltd. (赤峰山金銀鉛有限公司)	57.55			
Notes receivable	Hulunbuir Shanjin Mining Co., Ltd. (呼倫貝爾山金礦業有限公司)	31.90	2.50		
Notes receivable	Shandong Jinchuang Gold and Silver Smelting Co., Ltd. (山東金創金銀冶煉有限公司)	53.50	4.92		
Prepayments	Chifeng Shanjin Gold Silver Lead Co., Ltd. (赤峰山金銀鉛有限公司)	1,500.00			
Prepayments	Shandong Gold Group Construction Engineering Co., Ltd. (山東黃金集團建設工程有限公司)	934.46			

SECTION 8 FINANCIAL REPORT

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

6. Amounts Due from/to Related Parties and Other Outstanding Items (Continued)

(2). Amounts due to related parties

✓ Applicable □ N/A

Unit: RMB0'000 Currency: RMB

Name of item	Related party	Closing balance	Opening balance
Notes payable	SDG Design and Consultancy Co., Ltd. (山金設計諮詢有限公司)	466.40	630.14
Notes payable	SDG Electricity Company Limited (山東黃金電力有限公司)	14,348.00	12,722.46
Notes payable	Shandong Gold Geological Mine Exploration Co., Ltd. (山東黃金地質礦產勘查有限公司)	452.71	8.69
Notes payable	Shandong Gold Senior Technical School (山東黃金高級技工學校)	908.30	746.34
Notes payable	SDG Engineering Construction Supervision Co., Ltd. (山東省黃金工程建設監理有限公司)	479.65	434.21
Notes payable	Shandong Provincial Geo-Mineral Engineering Co.Ltd. (山東省地礦工程集團有限公司)	1,353.60	1,186.85
Notes payable	Shandong Gold Group Construction Engineering Co.,Ltd. (山東黃金集團建設工程有限公司)	2,597.12	1,186.77
Notes payable	SDG Automobile Services Co., Ltd. (山東黃金汽車服務有限責任公司)	3.00	22.8
Notes payable	Yantai Jinchang Automobile Service Co., Ltd. (煙台金暢汽車服務有限責任公司)	432.56	100.25
Notes payable	Penglai Jinfu Stainless Steel Products Co., Ltd. (蓬萊金福不銹鋼製品有限公司)	134.73	146.68
Notes payable	Penglai Jinxin Cooper Industry Co., Ltd. (蓬萊金馨銅業有限公司)	1,438.27	1,187.29
Notes payable	Penglai Jinchuang Precision Casting Co., Ltd. (蓬萊金創精密鑄造有限公司)	247.38	33.22
Notes payable	Shanjin Enterprise Management (Shandong) Co., Ltd. (山金企業管理(山東)有限公司)	1,876.68	1,390.94
Notes payable	Shandong Jinchuang Gold and Silver Smelting Co., Ltd. (山東金創金銀冶煉有限公司)		660

SECTION 8 FINANCIAL REPORT

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

6. Amounts Due from/to Related Parties and Other Outstanding Items (Continued)

(2). Amounts due to related parties (Continued)

Name of item	Related party	Closing balance	Opening balance
Notes payable	Shandong Geological and Mineral Engineering Group Testing Technology Co., Ltd. (山東省地礦工程集團檢測技術有限公司)	46.40	12.95
Notes payable	Shandong Gold Group Xinyuan Mining Co., Ltd. (山東黃金集團新源礦業有限公司)	2,300.00	
Accounts payable	SDG Electricity Company Limited (山東黃金電力有限公司)	4,239.94	5,904.88
Accounts payable	SDG Design and Consultancy Co., Ltd. (山金設計諮詢有限公司)	3,797.22	4,806.06
Accounts payable	SDG Engineering Construction Supervision Co., Ltd. (山東省黃金工程建設監理有限公司)	523.75	983.18
Accounts payable	Shandong Provincial Geo-Mineral Engineering Co.Ltd. (山東省地礦工程集團有限公司)	743.90	2,045.57
Accounts payable	Shandong Gold Senior Technical School (山東黃金高級技工學校)	1,102.64	1,379.02
Accounts payable	Shandong Gold Jinchuang Group Co., Ltd. (山東黃金金創集團有限公司)	30,811.99	30,811.99
Accounts payable	Shandong Gold Geological Mine Exploration Co., Ltd. (山東黃金地質礦產勘查有限公司)	343,826.74	343,904.10
Accounts payable	Qingdao Jinxing Mining Co., Ltd. (青島金星礦業股份有限公司)	3,473.13	3,576.53
Accounts payable	Shandong Gold Group Construction Engineering Co.,Ltd. (山東黃金集團建設工程有限公司)	1,496.30	3,268.74
Accounts payable	Penglai Jinfu Stainless Steel Products Co., Ltd. (蓬萊金福不銹鋼製品有限公司)	227.50	353.98
Accounts payable	Shanjin Enterprise Management (Shandong) Co., Ltd. (山金企業管理(山東)有限公司)	677.23	972.45
Accounts payable	Yantai Jinchang Automobile Service Co., Ltd. (煙台金暢汽車服務有限責任公司)	70.38	489.95
Accounts payable	Penglai Jinxin Cooper Industry Co., Ltd. (蓬萊金馨銅業有限公司)	1,467.60	462.04
Accounts payable	Penglai Jinchuang Precision Casting Co., Ltd. (蓬萊金創精密鑄造有限公司)	1,242.48	1,042.00

SECTION 8 FINANCIAL REPORT

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

6. Amounts Due from/to Related Parties and Other Outstanding Items (Continued)

(2). Amounts due to related parties (Continued)

Name of item	Related party	Closing balance	Opening balance
Accounts payable	Shandong Jinchuang Gold and Silver Smelting Co., Ltd. (山東金創金銀冶煉有限公司)	2,328.26	1,164.56
Accounts payable	SDG Automobile Services Co., Ltd. (山東黃金汽車服務有限責任公司)	14.70	24.9
Accounts payable	Shandong Jinchuang Co., Ltd. (山東金創股份有限公司)		755.48
Accounts payable	Shandong Gold Group Xinyuan Mining Co., Ltd. (山東黃金集團新源礦業有限公司)	3,869.31	4,824.18
Accounts payable	Shandong Geological and Mineral Engineering Group Testing Technology Co., Ltd. (山東省地礦工程集團檢測技術有限公司)	11.10	113.05
Accounts payable	Shandong Decoration Group Co., Ltd. (山東省裝飾集團有限公司)		671.43
Accounts payable	Hainan Shanjin Mining Co., Ltd. (海南山金礦業有限公司)	2,807.69	321.9
Accounts payable	Qinghai Kunlun Gold Co., Ltd. (青海昆侖黃金有限公司)		27.79
Accounts payable	Shandong Gold Group Co., Ltd. (山東黃金集團有限公司)		50
Accounts payable	Chifeng Shanjin Hongling Non-ferrous Mining Co., Ltd. (赤峰山金紅嶺有色礦業有限責任公司)	26.77	
Accounts payable	Inner Mongolia Shanjin Geological Mine Exploration Co., Ltd. (內蒙古山金地質礦產勘查有限公司)	0.11	
Accounts payable	Chifeng Shanjin Gold Silver Lead Co., Ltd. (赤峰山金銀鉛有限公司)	235.00	
Accounts payable	Chifeng Shanjin Ruipeng Trading Co., Ltd. (赤峰山金瑞鵬貿易有限公司)	2.85	
Accounts payable	Qingdao Gold Lead and Zinc Development Co., Ltd. (青島黃金鉛鋅開發有限公司)	1,265.65	
Accounts payable	SDG Group (Shenzhen) Gold Jewelry Co., Ltd. (山東黃金集團(深圳)黃金珠寶有限公司)	99.53	
Other payables	Chifeng Shanjin Ruipeng Trading Co., Ltd. (赤峰山金瑞鵬貿易有限公司)	200.00	1,462.51

SECTION 8 FINANCIAL REPORT

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

6. Amounts Due from/to Related Parties and Other Outstanding Items (Continued)

(2). Amounts due to related parties (Continued)

Name of item	Related party	Closing balance	Opening balance
Other payables	Shandong Gold Group Co., Ltd. (山東黃金集團有限公司)	17,915.58	92,749.30
Other payables	Shandong Gold Jinchuang Group Co., Ltd. (山東黃金金創集團有限公司)		850.69
Other payables	Shandong Gold Non-ferrous Metal Mine Group Co., Ltd. (山東黃金有色礦業集團有限公司)	9.43	
Other payables	SDG Design and Consultancy Co., Ltd. (山金設計諮詢有限公司)	881.51	785.46
Other payables	Shandong Gold Group Construction Engineering Co., Ltd. (山東黃金集團建設工程有限公司)	403.66	798.33
Other payables	Shandong Gold Senior Technical School (山東黃金高級技工學校)	280.79	234.15
Other payables	SDG Electricity Company Limited (山東黃金電力有限公司)	121.58	141.58
Other payables	SDG Group Laizhou Mining Co., Ltd. (山東黃金集團萊州礦業有限公司)	121.79	121.79
Other payables	SDG Engineering Construction Supervision Co., Ltd. (山東省黃金工程建設監理有限公司)	110.24	102.09
Other payables	Chifeng Shanjin Gold Silver Lead Co., Ltd. (赤峰山金銀鉛有限公司)		1,187.39
Other payables	Laizhou Ludi Mining Investment and Development Co., Ltd. (萊州魯地礦業投資開發有限公司)	3,395.97	
Other payables	SDG Venture Capital Co., Ltd. (山東黃金創業投資有限公司)	4.61	0.04
Other payables	Laizhou Xinli Branch of Shandong Gold Group Co., Ltd. (山東黃金集團有限公司萊州鑫利分公司)	69.84	69.42
Other payables	SDG Automobile Services Co., Ltd. (山東黃金汽車服務有限責任公司)	3.00	3.00
Other payables	Shandong Provincial Geo-Mineral Engineering Co., Ltd. (山東省地礦工程集團有限公司)	257.90	143.11
Other payables	Yantai Jinchang Automobile Service Co., Ltd. (煙台金暢汽車服務有限責任公司)		89.60

SECTION 8 FINANCIAL REPORT

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

6. Amounts Due from/to Related Parties and Other Outstanding Items (Continued)

(2). Amounts due to related parties (Continued)

Name of item	Related party	Closing balance	Opening balance
Other payables	Shandong Decoration Group Co., Ltd. (山東省裝飾集團有限公司)	35.44	35.44
Other payables	Shanjin Enterprise Management (Shandong) Co., Ltd. (山金企業管理(山東)有限公司)	1.41	
Other payables	SDG (Beijing) Industry Investment Co., Ltd. (山東黃金(北京)產業投資有限公司)	83.05	83.05
Other payables	Shandong Gold Group Qingdao Gold Co., Ltd. (山東黃金集團青島黃金有限公司)	528.29	420.99
Other payables	Shandong Geological and Mineral Engineering Group Testing Technology Co., Ltd. (山東省地礦工程集團檢測技術有限公司)		1.10
Other payables	Shanjin Ruipeng (Tianjin) Trading Co., Ltd. (山金瑞鵬(天津)貿易有限公司)	150.00	150.00
Other payables	Shanjin Ruipeng (Shanghai) Trading Co., Ltd. (山金瑞鵬(上海)貿易有限公司)		0.10
Other payables	Qinghai Kuntun Gold Co., Ltd. (青海昆侖黃金有限公司)	1,100.00	
Other payables	Chifeng Shanjin Hongling Non-ferrous Mining Co., Ltd. (赤峰山金紅嶺有色礦業有限責任公司)	8.37	
Other payables	Shanghai Yangpu Branch of Shanjin Enterprise Management (Shandong) Co., Ltd. (山金企業管理(山東)有限公司上海楊浦分公司)	68.35	
Other payables	SDG Group (Shenzhen) Gold Jewelry Co., Ltd. (山東黃金集團(深圳)黃金珠寶有限公司)	10.49	
Dividends payable	SDG Group Laizhou Mining Co., Ltd. (山東黃金集團萊州礦業有限公司)	2,205.55	2,205.55
Dividends payable	Shandong Gold Group Co., Ltd. (山東黃金集團有限公司)	24,028.94	45.01
Dividends payable	Shandong Gold Non-ferrous Metal Mine Group Co., Ltd. (山東黃金有色礦業集團有限公司)	1,523.54	
Dividends payable	Shandong Gold Resources Development Co., Ltd. (山東黃金資源開發有限公司)	3,971.91	
Dividends payable	Shandong Gold Group Qingdao Gold Co., Ltd. (山東黃金集團青島黃金有限公司)	465.71	

SECTION 8 FINANCIAL REPORT

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

6. Amounts Due from/to Related Parties and Other Outstanding Items (Continued)

(2). Amounts due to related parties (Continued)

Name of item	Related party	Closing balance	Opening balance
Dividends payable	SDG (Beijing) Industry Investment Co., Ltd. (山東黃金(北京)產業投資有限公司)	48.20	
Non-current liabilities due within one year	Shandong Gold Group Co., Ltd. (山東黃金集團有限公司)	1,357.18	1,558.58
Non-current liabilities due within one year	Shandong Gold Group Qingdao Gold Co., Ltd. (山東黃金集團青島黃金有限公司)		186.29
Non-current liabilities due within one year	SDG Automobile Services Co., Ltd. (山東黃金汽車服務有限責任公司)	27.13	163.69
Non-current liabilities due within one year	Shanjin Huilan (Shanghai) Business Management Co., Ltd. (山金惠嵐(上海)商業管理有限公司)	208.01	94.17
Non-current liabilities due within one year	Yantai Jinchang Automobile Service Co., Ltd. (煙台金暢汽車服務有限責任公司)	51.43	55.35
Lease liabilities	Shandong Gold Group Co., Ltd. (山東黃金集團有限公司)	4,610.23	4,621.57
Lease liabilities	SDG Automobile Services Co., Ltd. (山東黃金汽車服務有限責任公司)	609.1	472.55
Lease liabilities	Yantai Jinchang Automobile Service Co., Ltd. (煙台金暢汽車服務有限責任公司)	133.37	176.99
Lease liabilities	Shanghai Huilan Real Estate Development Co., Ltd. (山金惠嵐(上海)商業管理有限公司)	4,003.61	232.23
Lease liabilities	Shandong Gold Group Qingdao Gold Co., Ltd. (山東黃金集團青島黃金有限公司)	702.62	608.6
Contract liabilities	Chifeng Shanjin Ruipeng Trading Co., Ltd. (赤峰山金瑞鵬貿易有限公司)	793.60	202.3
Contract liabilities	Qingdao Gold Lead and Zinc Development Co., Ltd. (青島黃金鉛鋅開發有限公司)	1,265.65	51.14
Contract liabilities	Shandong Jinchuang Gold and Silver Smelting Co., Ltd. (山東金創金銀冶煉有限公司)	325.21	399.2
Contract liabilities	Shanjin Ruipeng (Shanghai) Trading Co., Ltd. (山金瑞鵬(上海)貿易有限公司)	696.17	883.42
Contract liabilities	Shanjin Ruipeng (Tianjin) Trading Co., Ltd. (山金瑞鵬(天津)貿易有限公司)	12,546.80	6,867.54

SECTION 8 FINANCIAL REPORT

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

6. Amounts Due from/to Related Parties and Other Outstanding Items (Continued)

(2). Amounts due to related parties (Continued)

Name of item	Related party	Closing balance	Opening balance
Contract liabilities	Chifeng Shanjin Gold Silver Lead Co., Ltd. (赤峰山金銀鉛有限公司)	235.00	313.56
Contract liabilities	Chifeng Shanjin Hongling Non-ferrous Mining Co., Ltd. (赤峰山金紅嶺有色礦業有限責任公司)		77.64
Contract liabilities	SDG Group (Shenzhen) Gold Jewelry Co., Ltd. (山東黃金集團(深圳)黃金珠寶有限公司)	28,316.75	5,494.73
Contract liabilities	Qinghai Kuntun Gold Co., Ltd. (青海昆侖黃金有限公司)	2.69	
Contract liabilities	Fujian Province Zhenghe Dayuan Mining Co., Ltd. (福建省政和縣大源礦業有限公司)	7.50	
Contract liabilities	Xilingol League Shanjin Aerhada Mining Co., Ltd. (錫林郭勒盟山金阿爾哈達礦業有限公司)	16.40	

(3). Other items

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

7. Related party commitments

☒ Applicable ☐ N/A

Items	Closing amount (RMB'0,000)	Opening amount (RMB'0,000)
Contracted but not recognized in the financial statements		
– Commitment to acquisition and construction of long-term assets	7,904.30	2,416.74
– Significant labour contracts		
Total	7,904.30	2,416.74

Commitment to acquisition and construction of long-term assets and significant labour contracts refer to equipment procurement contracts, engineering construction contracts, exploration permit transfer contracts, and other contracts entered into by the Company and its subsidiaries that have not yet been fully executed.

8. Others

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

XV. SHARE-BASED PAYMENT

1. Equity instruments

(1). Breakdown

☐ Applicable ☒ N/A

(2). Stock options or other equity instruments issued at the end of the period

☐ Applicable ☒ N/A

2. Information about equity-settled share-based payment

☐ Applicable ☒ N/A

3. Information about cash-settled share-based payment

☐ Applicable ☒ N/A

4. Share-based payment expense for the current period

☐ Applicable ☒ N/A

5. Modification and cancelation of share-based payment

☐ Applicable ☒ N/A

6. Others

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

XVI. COMMITMENTS AND CONTINGENCIES

1. Significant commitments

☒ Applicable ☐ N/A

Important external commitments, nature and amount existing on the balance sheet date

Items	Closing amount (RMB'0,000)	Opening amount (RMB'0,000)
Contracted but not recognized in the financial statements		
– Commitment to acquisition and construction of long-term assets	20,858.29	13,376.10
– Significant labour contracts	130,974.80	77,901.31
Total	151,833.09	91,277.41

2. Contingencies

(1). Significant contingencies existing as of balance sheet date

☐ Applicable ☒ N/A

(2). Please make a statement if the Company has no significant contingencies to disclose:

☐ Applicable ☒ N/A

3. Others

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

XVII. EVENTS AFTER THE BALANCE SHEET DATE

1. Material non-adjusting events

☐ Applicable ☒ N/A

2. Profit distribution

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Profit or dividend to be distributed	805,217,314.50
Profits or dividends declared after consideration and approval	805,217,314.50

Pursuant to the resolution adopted at the second meeting of the seventh session of the Board of Directors, the Company is proposed to distribute profits based on the total share capital registered on the record date in respect of the implementation of equity distribution in the first half of 2025. A cash dividend of RMB1.80 per 10 Shares (tax inclusive) will be distributed to all Shareholders. As of 27 August 2025, based on the total share capital of 4,473,429,525 Shares, the proposed cash dividend amounts to RMB805,217,314.50. The cash dividend for the first half of 2025 represents 31.45% of the net profit attributable to ordinary shareholders of the listed company after deducting perpetual bond interest for the period. This profit distribution does not include bonus shares or capitalization of capital reserve.

If the total share capital changes before the record date for the equity distribution, the total dividend amount will remain unchanged, with corresponding adjustments to the distribution per share, and specific adjustments will be announced separately.

3. Sales returns

☐ Applicable ☒ N/A

4. Description of other events after the balance sheet date

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

XVIII. OTHER SIGNIFICANT EVENTS

1. Corrections of prior period accounting errors

(1). Retrospective restatement method

☐ Applicable ☒ N/A

(2). Prospective application method

☐ Applicable ☒ N/A

2. Significant debt restructuring

☐ Applicable ☒ N/A

3. Exchange of assets

(1). Exchange of non-monetary assets

☐ Applicable ☒ N/A

(2). Exchange of other assets

☐ Applicable ☒ N/A

4. Annuity plan

☒ Applicable ☐ N/A

The Company's annuity contribution shall be jointly paid by the employer and employees. The funding channels for the employer's contribution shall be implemented in accordance with the relevant provisions of the state; the employees' personal contributions shall be withheld and remitted by the employer from the employees' salaries. The employer's contribution base for an employee is the employee's average monthly salary of the previous year, with a contribution ratio of 8%; the employee's personal contribution base is the employee's average monthly salary of the previous year, which is capped at three times the average social salary of the previous year, with a contribution ratio of 2%.

The Company's corporate annuity adopts the legal-person trustee management model, and the corporate annuity funds collected by the Company are managed by a trustee entrusted by the Company. The individual account consists of two sub-accounts: the employer contribution sub-account and the employee contribution sub-account, which respectively record the portion of the employer's contributions allocated to the individual employee and their investment returns, as well as the employees' personal contributions and their investment returns. The employer's contributions and their investment returns in an employee's corporate annuity individual account are attributed to the employee in accordance with certain rules. Any portion not attributed to the employee shall be recorded in the corporate account. The personal contributions and their investment returns in an employee's corporate annuity individual account shall be attributed to the employee from the very beginning.

SECTION 8 FINANCIAL REPORT

XVIII. OTHER SIGNIFICANT EVENTS (Continued)

5. Discontinued operations

☐ Applicable ☒ N/A

6. Segment information

(1). Basis for determining reporting segment and accounting policies

☒ Applicable ☐ N/A

According to internal management and reporting system of the Company, all businesses are classified in to one segment. The measurement basis of segment reporting information is consistent with accounting and measurement basis of preparation financial statements.

(2). Financial information of reporting segments

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Items	Gold	Silver metal	Copper metal	Iron ore concentrates	Lead metal	Zinc metal	Purchased gold	Small gold bars	Others	Inter segment elimination	Total
Revenue for January to June 2025	17,006,208,188.51	627,654,628.20	49,817,290.57	17,084,411.69	80,570,762.60	143,743,672.49	28,462,651,994.72	4,342,804,369.82	5,897,072,159.73		56,627,607,478.33
Cost for January to June 2025	8,137,269,698.01	230,174,402.73	14,868,080.81	7,977,053.31	30,842,673.38	73,394,750.29	28,239,950,003.70	4,238,911,457.94	5,803,250,363.77		46,776,638,483.94
Revenue for January to June 2024	10,950,035,589.72	494,319,551.53	57,620,027.02	13,424,703.80	69,362,538.95	102,360,622.58	23,636,094,886.95	6,284,737,407.14	4,031,577,353.95		45,639,532,661.64
Cost for January to June 2024	5,399,685,339.80	188,639,108.59	14,831,990.92	4,738,308.10	31,429,581.33	50,176,767.58	23,404,159,329.49	6,196,818,886.59	3,922,797,535.80		39,213,276,848.20

(3). If there is no reporting segment, or if the total assets and total liabilities of each reporting segment cannot be disclosed, the reasons should be stated

☐ Applicable ☒ N/A

(4). Other explanations

☐ Applicable ☒ N/A

7. Other significant transactions and events that have impacts on investors' decisions

☐ Applicable ☒ N/A

8. Others

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY’S FINANCIAL STATEMENTS

1. Accounts receivable

(1). Disclosure by aging

✓ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	4,487,450,406.33	4,215,431,324.17
Within 1 year	4,487,450,406.33	4,215,431,324.17
1 to 2 years	49,285.66	22,857.09
2 to 3 years	146,389.00	146,389.00
Over 3 years		
3 to 4 years		
4 to 5 years		
Over 5 years		
Total	4,487,646,080.99	4,215,600,570.26

SECTION 8 FINANCIAL REPORT

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY’S FINANCIAL STATEMENTS (Continued)

1. Accounts receivable (Continued)

(2). Disclosure by bad-debt provision method

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Type	Closing balance					Opening balance				
	Book balance		Provision for bad debts			Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Provision proportion (%)	Book value	Amount	Proportion (%)	Amount	Provision proportion (%)	Book value
Provision for bad debts made on an individual basis										
Including:										
Provision for bad debts made on a collective basis	4,487,646,080.99	100.00	63,847.97	0.01	4,487,582,233.02	4,215,600,570.26	100.00	80,751.25	0.01	4,215,519,819.01
Including:										
The aging portfolio	788,506.74	0.02	63,847.97	8.10	724,658.77	1,153,000.98	0.03	80,751.25	7.00	1,072,249.73
Other portfolio	4,486,857,574.25	99.98			4,486,857,574.25	4,214,447,569.28	99.97			4,214,447,569.28
Total	4,487,646,080.99	/	63,847.97	/	4,487,582,233.02	4,215,600,570.26	/	80,751.25	/	4,215,519,819.01

Provision for bad debts made on an individual basis:

☐ Applicable ☒ N/A

Provision for bad debts made on a collective basis:

☒ Applicable ☐ N/A

SECTION 8 FINANCIAL REPORT

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

1. Accounts receivable (Continued)

(2). Disclosure by bad-debt provision method (Continued)

Item made on a collective basis: The aging portfolio

Unit: Yuan Currency: RMB

Name	Book balance	Closing balance Provision for bad debts	Provision proportion (%)
Within 1 year	592,832.08	29,641.60	5.00
1-2 years	49,285.66	4,928.57	10.00
2-3 years	146,389.00	29,277.80	20.00
Total	788,506.74	63,847.97	

Description of provision for bad debts made on a collective basis:

☒ Applicable ☐ N/A

For accounts receivable classified into portfolios, the Group determines the proportion of bad debt provisions based on the actual loss rate of accounts receivable portfolios with similar credit risk characteristics grouped by aging periods, with reference to historical credit loss experience, and in combination with the current situation and forecasts of future economic conditions.

Provisions for bad debts based on the general model of ECL

☐ Applicable ☒ N/A

Descriptions on significant movements in the book balance of accounts receivable which have seen change in loss provision for the current period:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

1. Accounts receivable (Continued)

(3). Status of provision for bad debts

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Type	Opening balance	Amount of change in the current period			Other change	Closing balance
		Accrual	Recovery or reversal	Carryforward or write-off		
Provision for bad debts made on a collective basis	80,751.25	-16,903.28				63,847.97
Total	80,751.25	-16,903.28				63,847.97

Significant recoveries or reversals of provision for bad debts during the current period:

☐ Applicable ☒ N/A

(4). Accounts receivable that are actually written-off for the current period

☐ Applicable ☒ N/A

Significant accounts receivable write-offs

☐ Applicable ☒ N/A

Descriptions on accounts receivable write-offs:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY’S FINANCIAL STATEMENTS
(Continued)

1. Accounts receivable (Continued)

(5). Top five accounts receivable and contract assets categorised by debtor, in terms of closing balance:

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Entity name	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion to total closing balance of accounts receivable and contract assets (%)	Closing balance of provision for bad debts
Unit 1	3,421,044,245.13		3,421,044,245.13	76.23	
Unit 2	1,052,428,079.60		1,052,428,079.60	23.45	
Unit 3	12,596,063.52		12,596,063.52	0.28	
Unit 4	563,202.86		563,202.86	0.01	28,160.14
Unit 5	146,389.00		146,389.00	0.01	29,277.80
Total	4,486,777,980.11		4,486,777,980.11	99.98	57,437.94

Other explanations:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY’S FINANCIAL STATEMENTS
(Continued)

2. Other receivables

Details of items

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Interest receivable		
Dividends receivable	92,256,655.99	140,781,769.99
Other receivables	29,633,452,310.99	30,294,235,802.80
Total	29,725,708,966.98	30,435,017,572.79

Other explanations:

☐ Applicable ☒ N/A

Interest receivable

(1). Classification of interest receivable

☐ Applicable ☒ N/A

(2). Significant overdue interest

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

2. Other receivables (Continued)

Interest receivable (Continued)

(3). Disclosure by bad debt accrual method

☐ Applicable ☒ N/A

Provision for bad debts made on an individual basis:

☐ Applicable ☒ N/A

Description of provision for bad debts made on an individual basis:

☐ Applicable ☒ N/A

Provision for bad debts made on a collective basis:

☐ Applicable ☒ N/A

(4). Provisions for bad debts based on the general model of ECL

☐ Applicable ☒ N/A

(5). Status of provision for bad debts

☐ Applicable ☒ N/A

Significant recoveries or reversals of provision for bad debts during the current period:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY’S FINANCIAL STATEMENTS
(Continued)

2. Other receivables (Continued)

Interest receivable (Continued)

(6). Interest receivable that are actually written-off for the current period

☐ Applicable ☒ N/A

Significant interest receivable write-offs

☐ Applicable ☒ N/A

Descriptions of write-offs:

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

Dividends receivable

(1). Dividends receivable

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Item (or investee)	Closing balance	Opening balance
Unit 1	10,293,206.00	58,818,320.00
Unit 2	81,963,449.99	81,963,449.99
Total	92,256,655.99	140,781,769.99

SECTION 8 FINANCIAL REPORT

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

2. Other receivables (Continued)

Interest receivable (Continued)

(6). Interest receivable that are actually written-off for the current period (Continued)

Dividends receivable (Continued)

(2). Significant dividends receivable with ageing over 1 year

☐ Applicable ✓ N/A

(3). Disclosure by bad debt accrual method

☐ Applicable ✓ N/A

Provision for bad debts made on an individual basis:

☐ Applicable ✓ N/A

Description of provision for bad debts made on an individual basis:

☐ Applicable ✓ N/A

Provision for bad debts made on a collective basis:

☐ Applicable ✓ N/A

(4). Provisions for bad debts based on the general model of ECL

☐ Applicable ✓ N/A

(5). Status of provision for bad debts

☐ Applicable ✓ N/A

Significant recoveries or reversals of provision for bad debts during the current period:

☐ Applicable ✓ N/A

(6). Dividends receivable that are actually written-off for the current period

☐ Applicable ✓ N/A

SECTION 8 FINANCIAL REPORT

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

2. Other receivables (Continued)

Interest receivable (Continued)

(6). Interest receivable that are actually written-off for the current period (Continued)

Significant dividends receivable write-offs

☐ Applicable ☒ N/A

Descriptions of write-offs:

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

Other receivables

(1). Disclosure by ageing

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Ageing	Closing balance	Opening balance
Within 1 year (including 1 year)	29,620,795,276.50	21,914,515,943.11
Within 1 year	29,620,795,276.50	21,914,515,943.11
1 to 2 years	2,000,217.65	6,592,549,133.12
2 to 3 years	4,923,459.30	1,650,538,907.68
Over 3 years		
3 to 4 years	21,416,251.80	137,312,914.22
4 to 5 years	154,824.09	1,263,850.49
Over 5 years	13,334,080.54	13,508,698.65
Total	29,662,624,109.88	30,309,689,447.27

SECTION 8 FINANCIAL REPORT

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS
(Continued)

2. Other receivables (Continued)

Other receivables (Continued)

(2). Classification of other receivables by nature

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Nature of receivables	Closing balance	Opening balance
Borrowings and advances	29,452,016,012.57	30,147,813,781.93
Guarantee deposits	169,242,584.51	138,807,976.15
Utilities charges	10,062,372.06	12,831,285.68
Reserves	3,765,630.49	4,069,008.61
Deposits	33,887.40	63,887.40
Others	27,503,622.85	6,103,507.50
Total	29,662,624,109.88	30,309,689,447.27

SECTION 8 FINANCIAL REPORT

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

2. Other receivables (Continued)

Other receivables (Continued)

(3). Provision for bad debts

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Provision for bad debts	Stage 1 12-month ECL	Stage 2 Lifetime ECL (not credit- impaired)	Stage 3 Lifetime ECL (credit- impaired)	Total
Balance at 1 January 2025	2,931,270.94		12,522,373.53	15,453,644.47
Balance at 1 January 2025 during this period				
– Transfer to stage 2				
– Transfer to stage 3				
– Reverse to stage 2				
– Reverse to stage 1				
Additions during the period	13,101,601.32		616,553.10	13,718,154.42
Transfer out during the period				
Reversals during the period				
Written-off during the period				
Other changes				
Balance at 30 June 2025	16,032,872.26		13,138,926.63	29,171,798.89

Descriptions on significant movements in the book balance of other receivables which have seen change in loss provision for the current period:

☐ Applicable ☒ N/A

Descriptions on the amount of the provision of bad debts for the period and the basis for determining whether financial instruments credit risk has significantly increased:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

2. Other receivables (Continued)

Other receivables (Continued)

(4). Status of provision for bad debts

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Type	Opening balance	Amount of change in the current period			Other change	Closing balance
		Accrual	Recovery or reversal	Carryforward or write-off		
Provision for bad debts made on an individual basis	12,522,373.53	616,553.10				13,138,926.63
Provision for bad debts made on a collective basis	2,931,270.94	13,101,601.32				16,032,872.26
Total	15,453,644.47	13,718,154.42				29,171,798.89

Significant recoveries or reversals of provision for bad debts during the current period:

☐ Applicable ☒ N/A

(5). Other receivables that are actually written-off for the current period

☐ Applicable ☒ N/A

Significant other receivables write-offs:

☐ Applicable ☒ N/A

Descriptions on other receivable write-offs:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

2. Other receivables (Continued)

Other receivables (Continued)

(6). Top five other receivables and contract assets categorised by debtor, in terms of closing balance

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Name of the entity	Closing balance	Proportion to total closing balance of other receivables (%)	Nature of receivables	Ageing	Closing balance of provision for bad debts
Unit 1	11,116,198,197.69	37.48	Accounts	Within 1 year, 1 to 2 years	
Unit 2	9,132,258,798.97	30.79	Accounts	Within 1 year, 1 to 2 years, 2 to 3 years	
Unit 3	2,093,487,438.06	7.06	Accounts	Within 1 year, 1 to 2 years	
Unit 4	1,280,000,000.00	4.32	Accounts	Within 1 year, 1 to 2 years	
Unit 5	957,000,000.00	3.23	Accounts	Within 1 year, 1 to 2 years	
Total	24,578,944,434.72	82.88	/	/	

(7). Presented in other receivables due to centralized management of funds

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY’S FINANCIAL STATEMENTS
(Continued)

3. Long-term equity investments

✓ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Items	Closing balance		Opening balance	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Investments in subsidiaries	43,726,861,128.91	43,726,861,128.91	44,076,851,128.91	44,076,851,128.91
Investments in associates and joint ventures	1,083,618,455.77	1,083,618,455.77	1,085,216,501.95	1,085,216,501.95
Total	44,810,479,584.68	44,810,479,584.68	45,162,067,630.86	45,162,067,630.86

SECTION 8 FINANCIAL REPORT

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

3. Long-term equity investments (Continued)

(1). Investments in subsidiaries

✓ Applicable □ N/A

Unit: Yuan Currency: RMB

Investee	Opening balance (book value)	Movements during the period					Closing balance (book value)	Closing balance of provision for bad debts
		Opening balance of provision for bad debts	Increase in investments	Decrease in investments	Provision for bad debts	Others		
Shandong Jinzhou Mining Group Co., Ltd. (山東金洲礦業集團有限公司)	448,142,073.27						448,142,073.27	
Shandong Gold Mining (Laixi) Co., Ltd. (山東黃金礦業(萊西)有限公司)	620,039,863.01						620,039,863.01	
Shandong Gold Mining (Laizhou) Co., Ltd. (山東黃金礦業(萊州)有限公司)	1,196,236,471.52						1,196,236,471.52	
Shandong Gold Mining (Linglong) Co., Ltd. (山東黃金礦業(玲瓏)有限公司)	1,300,000,000.00						1,300,000,000.00	
Shandong Gold Mining (Yinan) Co., Ltd. (山東黃金礦業(沂南)有限公司)	397,223,013.70						397,223,013.70	
Shandong Gold Mining (Xinhui) Co., Ltd. (山東黃金礦業(鑫匯)有限公司)	1,597,918,904.11						1,597,918,904.11	
Chifeng Chaihulanzi Gold Mining Co., Ltd. (赤峰柴胡欄子黃金礦業有限公司)	261,741,500.00						261,741,500.00	
Shandong Jinshi Mining Ltd. (山東金石礦業有限公司)	4,892,311,849.60						4,892,311,849.60	
Xihe Zhongbao Mining Co., Ltd. (西和縣中寶礦業有限公司)	856,507,000.00						856,507,000.00	
Fujian Zhenghe County Yuanxin Mining Co., Ltd. (福建省政和縣源鑫礦業有限公司)	553,200,000.00						553,200,000.00	
Shandong Gold Mining Technology Co., Ltd. (山東黃金礦業科技有限公司)	160,000,000.00		40,000,000.00				200,000,000.00	
Shandong Gold Mining (Hong Kong) Co., Limited (山東黃金礦業(香港)有限公司)	4,531,145,600.00						4,531,145,600.00	
SDG Heavy Industry Co., Ltd. (山金重工有限公司)	300,000,000.00						300,000,000.00	
Hengxing Gold Holding Company Limited (Cayman)	2,177,638,705.18						2,177,638,705.18	

SECTION 8 FINANCIAL REPORT

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

3. Long-term equity investments (Continued)

(1). Investments in subsidiaries (Continued)

Investee	Opening balance (book value)	Movements during the period					Closing balance (book value)	Closing balance of provision for bad debts
		Opening balance of provision for bad debts	Increase in investments	Decrease in investments	Provision for bad debts	Others		
Shandong Gold Smelting Co., Ltd. (山東黃金冶煉有限公司)	350,000,000.00						350,000,000.00	
Shandong Gold Group Penglai Mining Co., Ltd. (山東黃金集團蓬萊礦業有限公司)	612,072,135.67						612,072,135.67	
Shandong Gold Guilaizhuang Mining Co., Ltd. (山東黃金歸來莊礦業有限公司)	564,942,852.93						564,942,852.93	
SDG Capital Management Co., Ltd. (山金金控資本管理有限公司)	2,008,224,235.57						2,008,224,235.57	
Shandong Dikuang Laijin Holdings Co., Ltd. (山東地礦來金控股有限公司)	2,828,093,636.88						2,828,093,636.88	
Shanjin Mine Project (Shandong) Co., Ltd. (山金礦山工程(山東)有限公司)	28,000,000.00						28,000,000.00	
Gansu Jinshun Mining Co., Ltd. (甘肅金舜礦業有限責任公司)	270,000,000.00						270,000,000.00	
Shandong Gold Occupational Disease Prevention and Control Hospital (山東黃金職業病防治院)	100,000,000.00						100,000,000.00	
Jinan Jinyue Investment Partnership (Limited Partnership) (濟南金悅投資合夥企業(有限合夥))	1,285,000,000.00						1,285,000,000.00	
Jinan Jinying Investment Partnership (Limited Partnership) (濟南金盈投資合夥企業(有限合夥))	499,990,000.00			499,990,000.00				
Inner Mongolia Shanjin Changtai Mining Co., Ltd. (內蒙古山金昶泰礦業有限責任公司)	471,100,000.00		60,000,000.00				531,100,000.00	
Shanjin International Gold Co., Ltd. (山金國際黃金股份有限公司)	15,767,323,287.47						15,767,323,287.47	
Shandong Shanjin Materials Co., Ltd. (山東山金物資有限公司)			50,000,000.00				50,000,000.00	
Total	44,076,851,128.91		150,000,000.00	499,990,000.00			43,726,861,128.91	

SECTION 8 FINANCIAL REPORT

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY’S FINANCIAL STATEMENTS (Continued)

3. Long-term equity investments (Continued)

(2). Investments in associates and joint ventures

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Investee	Opening balance (book value)	Movements during the period										Closing balance (book value)	Closing balance of provision for bad debts
		Opening balance of provision for bad debts	Increase in investments	Decrease in investments	Investment		Adjustment to other comprehensive income	Other equity changes	Cash		Others		
					income or loss recognised under equity method	dividend or profits declared			Provision for bad debts	Closing balance			
I. Associates													
Shandong Gold Group Finance Co., Ltd. (山東黃金集團財務有限公司)	1,085,216,501.95				24,213,888.91			25,811,935.09			1,083,618,455.77		
Subtotal	1,085,216,501.95				24,213,888.91			25,811,935.09			1,083,618,455.77		
Total	1,085,216,501.95				24,213,888.91			25,811,935.09			1,083,618,455.77		

(3). Impairment testing of long-term equity investment

☐ Applicable ☒ N/A

Other explanations:

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

4. Revenue and operating costs

(1). Details of revenue and operating costs

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Items	Amount for the current period		Amount for the last period	
	Revenue	Cost	Revenue	Cost
Principal operating activities	1,740,291,488.60	753,030,393.85	1,496,393,181.57	594,676,940.82
Other activities	19,477,777.99	17,221,829.84	34,748,528.96	26,719,619.09
Total	1,759,769,266.59	770,252,223.69	1,531,141,710.53	621,396,559.91

(2). Breakdown of revenue and operating costs:

☐ Applicable ☒ N/A

Other explanations

☐ Applicable ☒ N/A

(3). Description of performance obligations

☐ Applicable ☒ N/A

(4). Descriptions of allocation to remaining performance obligations

☐ Applicable ☒ N/A

(5). Significant changes in contracts or significant adjustments to transaction prices

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

XIX. NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

5. Investment income

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the last period
Long-term equity investment income accounted for under the cost method	305,212,369.57	309,032,840.65
Long-term equity investment income accounted for under the equity method	24,213,888.91	14,784,843.58
Investment income on disposal of long-term equity investment		
Investment income of held-for-trading financial assets during the period of holding		
Dividend income from investment in other equity instruments during the period of holding		
Interest income from debt investments in the period of holding		
Interest income from other debt investments in the period of holding		
Investment income on disposal of held-for-trading financial assets		
Investment income on disposal of investment in other equity instruments		
Investment income on disposal of debt investments		
Investment income on disposal of other debt investments		
Gain on debt restructuring		
Total	329,426,258.48	323,817,684.23

6. Others

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

XX. SUPPLEMENTARY INFORMATION

1. Breakdown of non-recurring profit or loss for the current period

✓ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Items	Amount	Note
Profit or loss from disposal of non-current assets, including the portion offset from the provision for impairment of assets	-4,563,258.95	
Government subsidies recorded under current profit or loss, other than those closely related to the normal business operation of the Company, in compliance with national policy requirements, enjoyed in accordance with defined standards and having a sustained impact on the Company's profit or loss	4,005,130.91	
Profits or losses from changes in the fair value of financial assets and liabilities held by non-financial enterprises and profits or losses from the disposal of financial assets and liabilities, except for effective hedging operations related to the Company's normal business operations	-15,758,494.02	
Capital occupancy fees from non-financial enterprises included in current profit or loss		
Profit or loss from entrusting others to invest or manage assets	14,159,408.02	
Profit or loss from external entrusted loans		
Asset loss due to force majeure factors such as natural disasters		
Reversal of provision for impairment of accounts receivable individually tested for impairment		
Income from the fair value of identifiable net assets of investees when the investment cost of the enterprise for the acquisition of subsidiaries, associates and joint ventures is less than the investment obtained		
Current net profit or loss of subsidiaries from the business combination under common control from the beginning of the period to the date of combination		
Profit or loss from exchange of non-monetary assets		
Profit or loss from debt restructuring		

SECTION 8 FINANCIAL REPORT

XX. SUPPLEMENTARY INFORMATION (Continued)

1. Breakdown of non-recurring profit or loss for the current period (Continued)

Items	Amount	Note
One-time costs incurred by the enterprise due to the fact that the relevant business activities ceased to be ongoing, such as expenditures for the relocation of employees		
One-time impact on current profit or loss due to adjustments in tax, accounting and other laws and regulations		
One-time share-based payment expense recognized for cancellation and modification of equity incentive plans		
For cash-settled share-based payments, gains or losses arising from changes in the fair value of employee benefits payable after the date of exercise of rights		
Profit or loss from changes in fair value of investment properties subsequently measured using the fair value model		
Gains from transactions with materially unfair transaction prices		
Profit or loss arising from contingencies irrelevant to the normal business operations of the Company		
Trusteeship fee income from entrusted operations		
Non-operating income and expenses other than those mentioned above	3,722,750.30	
Other profit and loss items that meet the definition of non-recurring profit or loss		
Less: Income tax effect	6,692,882.39	
Effects of non-controlling interests (after tax)	-3,782,628.23	
Total	-1,344,717.90	

SECTION 8 FINANCIAL REPORT

XX. SUPPLEMENTARY INFORMATION (Continued)

1. Breakdown of non-recurring profit or loss for the current period (Continued)

The investment activities conducted by the Company's subsidiary, SDG Capital Management Co., Ltd. (山金金控資本管理有限公司), and its subsidiaries are directly related to its normal operation. Consequently, the Company's management has not classified gains and losses on fair value changes arising from financial assets and financial liabilities held by these subsidiaries, or gains and losses arising from the disposal of financial assets and financial liabilities, as non-recurring profit or loss. For the items not listed in "Explanatory Announcement No. 1 on Information Disclosure by Public Issuers – Non-recurring Profit or Loss Items" (《公開發行證券的公司信息披露解釋性公告第1號—非經常性損益》) recognised by the Company as non-recurring profit and loss items with significant amounts, as well as the non-recurring profit and loss items listed in "Explanatory Announcement No. 1 on Information Disclosure by Public Issuers – Non-recurring Profit or Loss Items" (《公開發行證券的公司信息披露解釋性公告第1號—非經常性損益》) defined by the Company as recurring profit and loss items, the reasons shall be explained.

☒ Applicable ☐ N/A

Unit: Yuan Currency: RMB

Items	Amount involved	Reasons
Entrustment fee income from entrusted operations	1,886,792.49	

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

Other explanations

☐ Applicable ☒ N/A

SECTION 8 FINANCIAL REPORT

XX. SUPPLEMENTARY INFORMATION (Continued)

2. Return on net assets and earnings per share

☒ Applicable ☐ N/A

Profit for the reporting period	Weighted average return on net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	9.81	0.57	0.57
Net profit after deduction of non-recurring profit or loss attributable to ordinary shareholders of the Company	9.81	0.57	0.57

3. Differences between accounting data expressed under domestic and overseas accounting policies

☐ Applicable ☒ N/A

4. Others

☐ Applicable ☒ N/A

Chairman of the Board: Han Yaodong
Reporting date approved by the Board of Directors: 27 August 2025

Modification Information

☐ Applicable ☒ N/A

