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SD-GOLD

SHANDONG GOLD MINING CO., LTD.

山東黃金礦業股份有限公司

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

(Stock Code: 1787)

OVERSEAS REGULATORY ANNOUNCEMENT

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

Set out below is the Announcement on the Provision for Asset Impairment in 2025, published by Shandong Gold Mining Co., Ltd. (the “**Company**”) on the website of the Shanghai Stock Exchange at www.sse.com.cn, for information purpose only.

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

Jinan, the PRC, 26 March 2026

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

Stock Code: 600547

Stock Abbreviation: SD GOLD

Announcement No.: Lin 2026-006

SHANDONG GOLD MINING CO., LTD. ANNOUNCEMENT ON THE PROVISION FOR ASSET IMPAIRMENT IN 2025

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

The 9th meeting of the seventh session of the board of directors of Shandong Gold Mining Co., Ltd. (hereinafter referred to as the “Company”) was convened on 26 March 2026, at which the Resolution on the Company’s Provision for Asset Impairment in 2025 was considered and approved. The relevant information is hereby announced as follows:

I. OVERVIEW OF THE PROVISION FOR ASSET IMPAIRMENT

(I) Reasons for the provision for asset impairment

In order to reflect the Company’s financial condition and assets value more truthfully, accurately and objectively, the Company and its subsidiaries conducted a comprehensive inventory of various assets at the end of 2025 in accordance with the Accounting Standards for Business Enterprises and relevant accounting policies of the Company, evaluated and tested the impairment of assets and intend to recognise corresponding impairment provisions for the relevant assets.

(II) The scope of assets, total amount and reporting period to be included in for the provision for asset impairment, inventories, investment properties, fixed assets, goodwill, notes receivable, accounts receivable, other receivables and other current assets have been impaired after reviewing assets that may show any indication of impairment and conducting impairment test on assets at the end of 2025 by the

Company and its subsidiaries.

In the financial statements for 2025 under the Chinese Accounting Standards, the provision made for impairment of various assets amounted to RMB1,020,784,823.46 in total, the breakdown of which is set out in the table below:

Unit: RMB

Category	Asset	Amount of provision for impairment in 2025
Provision for inventory impairment	Inventories	5,706,168.84
Provision for asset impairment	Investment properties	2,195,672.80
	Fixed assets	451,582,360.94
	Goodwill	339,427,006.95
Provision for impairment of financial instruments	Notes receivable	1,350,870.48
	Accounts receivable	31,776,587.58
	Other receivables	180,072,747.12
	Other current assets	8,673,408.75
Total		1,020,784,823.46

II. PARTICULARS OF THE PROVISION FOR ASSET IMPAIRMENT

1. Provision for inventory impairment

According to the Accounting Standards for Business Enterprises No.1 - Inventories (Cai Kuai (2006) No.3), on the balance sheet date, the Company's inventories are measured at the lower of cost or net realizable value. When its net realizable value is lower than its cost, a provision for inventory write-downs is made. If the factors affecting previous write-downs of inventories have disappeared, resulting in the net realizable value of inventories being higher than their carrying amount, the provision for inventory write-downs is reversed within the amount originally provided for, and the reversal is recognized in profit or loss for the period.

According to the test results, the Company shall make a provision for impairment of RMB5,706,168.84 for inventories.

2. Provision for impairment of long-term assets

(1) Provision for impairment of goodwill

According to Accounting Standards for Business Enterprises No.8 - Impairment of Assets (Cai Kuai (2006) No.3), the Company allocates the carrying amount of goodwill arising from business merger not under common control to the asset groups or the combination of asset groups that is expected to benefit from the synergies of the business merger, using a reasonable method, from the acquisition date. The Company shall conduct an annual impairment test for such goodwill. If the recoverable amount of the asset groups or the combination of asset groups containing the allocated goodwill is lower than its carrying amount, the amount of impairment loss first will be offset against the carrying amount of goodwill allocated to the asset group. Then, such amount of impairment loss will be offset against the carrying amount of other assets in proportion to the carrying amount of other assets except goodwill in the asset group and the corresponding impairment loss will be recognized.

According to the test results, the Company shall make a provision for impairment of RMB339,427,006.95 for goodwill.

(2) Provision for impairment of other long-term assets

According to Accounting Standards for Business Enterprises No.8 - Impairment of Assets (Cai Kuai (2006) No.3), at the balance sheet date, the Company determines the recoverable amount of an asset as the higher of its fair value less costs of disposal and the present value of its estimated future cash flows. If the carrying amount of the asset exceeds its recoverable amount, the difference is recognised as an impairment loss.

According to the test results, the Company shall make a provision for impairment of RMB453,778,033.74 for other long-term assets, including the provision for impairment of RMB451,582,360.94 for fixed assets and provision for impairment of RMB2,195,672.80 for investment properties.

3. Provision for impairment of financial instruments

According to the Accounting Standards for Business Enterprises No.22 - Recognition and Measurement of Financial Instruments (Cai Kuai (2017) No.7), the Company recognizes the loss provision based on expected credit losses. The Company calculates the probability-weighted amount of the present value of the difference between the cash flow of contract receivables and the cash flow expected to be received (weighted at the risk of default) taking into account of reasonable and supportable information such as past events, current status and the forecast of future economic conditions to recognize the expected credit losses.

After calculation, the Company should make a provision for impairment of RMB221,873,613.93 for financial instruments, including the provision for impairment of RMB1,350,870.48 for notes receivable, the provision for impairment of RMB31,776,587.58 for accounts receivable, the provision for impairment of RMB180,072,747.12 for other receivables and the provision for impairment of RMB8,673,408.75 for other current assets.

III. IMPACT OF THE PROVISION FOR IMPAIRMENT ON THE FINANCIAL POSITION OF THE COMPANY

The proposed provision for asset impairment amounting to RMB1,020,784,823.46 in total in 2025 is fully included in profit or loss for 2025, thus reducing the total profit for 2025 by RMB1,020,784,823.46 correspondingly.

IV. EXPLANATION OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS ON THE REASONABLENESS OF THE PROVISION FOR ASSET IMPAIRMENT

The Company's provision for asset impairment in 2025 complies with and is in line with the regulations of the Accounting Standards for Business Enterprises and relevant systems of the Company. The basis for making provision for asset impairment is sufficient and in line with current operating condition of the Company.

The Company's provision for asset impairment is based on the principle of prudence, which will help more fairly reflect the financial condition and assets value of the Company as of 31 December 2025, so that the Company's accounting information is more reasonable. The audit committee agrees with the provision for asset impairment and submits the same to the board of directors for consideration.

V. EXPLANATION OF THE BOARD OF DIRECTORS ON THE REASONABLENESS OF THE PROVISION FOR ASSET IMPAIRMENT

The 9th meeting of the seventh session of the board of directors of the Company has considered and approved the Resolution on the Company's Provision for Asset Impairment in 2025. The board of directors believes that based on the judgment of actual situation and impairment tests and in accordance with the principle of prudence, the Company's provision for asset impairment complies with and is in line with the regulations of the Accounting Standards for Business Enterprises and relevant systems of the Company, which is in line with the regulations and the actual situation, and helps fairly reflect the financial condition and assets value of the Company and ensures the fairness and rationality of the Company's accounting information.

The Board of Directors of Shandong Gold Mining Co., Ltd.
26 March 2026