

Terms of Reference of the Audit Committee under the Board of Shandong Gold Mining Co., Ltd.

Chapter 1 General Provisions

Article 1 In order to strengthen the decision-making function of the Board, audit in advance, audit professionally, ensure effective supervision over the senior management by the Board, and perfect its corporate governance structure, the Company has set up the Audit Committee under the Board and formulated these rules in accordance with the Company Law of the People’s Republic of China, the Code of Corporate Governance for Listed Companies, the Shanghai Stock Exchange Self-Regulatory Supervision Guidelines for Listed Companies No. 1 – Standardised Operation (revised in May 2025) (hereinafter referred to as the “SSE No. 1 Guidelines”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”), the Articles of Association and other relevant requirements.

Article 2 The Audit Committee under the Board is a specific working body set up by the Board in accordance with a resolution at a shareholders’ meeting. Its main responsibilities are to communicate with the internal and external auditors of the Company, supervise and review their job performance as well as the internal control, and promote the Company to establish effective internal control and provide true, accurate and complete financial reports.

Chapter 2 Composition

Article 3 The Audit Committee shall consist of five non-executive directors, all of them shall be directors who are not senior management of the Company, of which three shall be independent directors. All members of the Committee shall possess professional financial or legal knowledge and commercial experience necessary for the performance of their duties. At least one member shall have appropriate accounting expertise and meet the eligibility criteria for an accounting professional under the SSE No. 1 Guidelines and the qualification requirements for a financial professional serving on the audit committee under the Hong Kong Listing Rules. Employee representatives who are members of the Board may become members of the Audit Committee.

Members of the Audit Committee shall be diligent and responsible, supervise and evaluate the internal and external audit of the Company in a practical and efficient way, and support the Company’s establishment of robust internal controls and the production of truthful, accurate and complete financial reports.

Article 4 Members of the Audit Committee shall be nominated by the chairman of the Board, more than half of the independent directors, or by one-third of the Board members, and are subject to election by the Board.

Article 5 The Audit Committee shall have one chairman (convener) who shall be an independent director. The chairman (convener) should be an accounting professional and be responsible for the duties of the Committee. The chairman of the Committee shall be elected from the members, subject to the approval of the Board.

Article 6 The term of office of the Audit Committee shall be identical to that of the Board. A member may offer himself/herself for re-election upon the expiration of his/her term of office. During his/her term of office, if any member ceases to be a director, his/her membership in the Audit Committee shall lapse automatically, and the vacancy shall be filled by the person elected by the Committee in accordance with Articles 3 to 5 above.

Article 7 The internal audit institution of the Company shall be accountable to the Board and shall report its work to the Audit Committee under the Board. In the course of its supervision and inspection, the internal audit institution shall accept the supervision and guidance of the Audit Committee. Where the internal audit institution discovers significant issues or leads pertaining to the Company, it shall immediately report directly to the Audit Committee. The Audit Committee shall participate in the assessment of the person in charge of internal audit.

The Company shall provide the Audit Committee under the Board with necessary means and measures to perform their duties, and engage professionals to form an audit working unit as the routine operation arm of the Audit Committee, responsible for daily operation including liaison, organization of meetings, preparation of materials and documentation for the Audit Committee. When the Audit Committee performs its duties, the management and relevant departments of the Company shall cooperate with it.

Chapter 3 Responsibilities and Authorities

Article 8 The primary responsibilities and authorities of the Audit Committee include:

- (I) to make proposals to the Board regarding appointment, reappointment and dismissal of external auditors, make recommendations to the Board and approve the remuneration and terms of engagement of the external auditors, and deal with all matters of the resignation or dismissal of external auditors. The Audit Committee shall make recommendations to the Board on the appointment or replacement of the external audit institutions, review the audit fees and employment terms of the external audit institutions, and shall not be improperly influenced by the substantial shareholders, de facto controllers or directors and senior management of the Company.
- (II) to review and monitor the independence and objectivity of external auditors and the effectiveness of the audit process in accordance with applicable standards. The Committee shall discuss with the external auditors the nature, scope and method of the audit and reporting requirements before the audit commences.

For the purpose of independent inspection of external auditors, the Committee shall perform the followings: to examine the relation between the Company and the auditors (including non-audit services); to examine the materials provided by the auditors once a year to understand the policies and procedures adopted by the auditors for maintaining its independence and effectiveness of such policies and procedures, including the rules for change of partners and executives of auditors; to meet the external auditors at least once a year without the presence of the management of the Company for the discussion of audit fees and related matters, any matters in connection with audit works and other matters raised by the auditors.

(III) to formulate and implement policies relating to the engagement of external auditors for non-audit services. For the purpose of this clause, external auditors include any entity under common control, ownership or management with the auditors and any entity that a reasonable and informed third party would reasonably conclude to be part of the local or international operation of the auditors. The Committee shall advise the Board on necessary actions or improvements and measures to be taken.

(IV) to guide and supervise the establishment and implementation of the internal audit system of the Company; review the annual internal audit plan of the Company; supervise the implementation of the internal audit plan of the Company; guide the effective operation of the internal audit institution. The internal audit institution shall report to the Audit Committee. Any audit reports, plans for rectification of audit issues and rectification progress submitted to the management by the internal audit institution shall be forwarded to the Audit Committee. To report to the Board on the progress and quality of internal audit and any material issues identified; review financial and accounting reports and periodical reports of the Company, advise as to the truthfulness, completeness and accuracy of the financial and accounting reports, and focus on the major accounting and auditing issues in the financial and accounting reports of the Company. Special attention should be paid to the risk of any frauds, malpractices and major mistakes in relation to such reports. In terms of the major issues in the financial and accounting reports disclosed by the Company, the Audit Committee shall urge the relevant responsible departments of the Company to formulate rectification measures and the timing of rectification, conduct follow-up reviews, and supervise the implementation of the rectification measures and disclose the completion of the rectification in a timely manner. When reviewing the annual reports and accounts, half-yearly and quarterly reports of the Company before submission to the Board, the Committee shall focus on the following matters:

1. changes in accounting policies and practices;
2. major judgment;
3. significant adjustments resulting from audit;
4. the on-going concern assumption and qualified opinions;
5. compliance with accounting standards;

6. compliance with the Hong Kong Listing Rules and other legal requirements in relation to financial reporting.
- (V) for the purpose of paragraph (IV):
1. the Committee members shall liaise with the Board and the senior management of the Company. The Committee shall meet with the external auditor of the Company at least twice a year;
 2. the Committee shall consider any significant and unusual items that are, or may need to be, reflected in such reports and accounts, and shall give consideration to the matters raised by the staff responsible for accounting and financial reporting function, compliance officer or the auditors of the Company.
- (VI) to liaise with the internal audit institution and the external auditors, to coordinate the relationship between the internal audit institution and external audit units such as accounting firms and national audit agencies, to ensure that the internal audit function is provided with sufficient resources and has appropriate standing in the Company, and to review and supervise the effectiveness of internal audit function.
- (VII) to review financial information and its disclosure of the Company.
- (VIII) to review the financial control, internal control and risk management systems of the Company and conduct audits on material connected transactions.
- (IX) to discuss with the management on risk management and internal control system to ensure that the management has performed its duty to maintain an effective risk management and internal control system. Considerations should be given to, among others, the adequacy of resources, qualifications, experience and training of staff and budgets pertaining to the accounting and financial reporting functions; to supervise the effectiveness and self-assessment of internal control; to coordinate internal control and audit as well as the improvement of internal control and other related matters.
- (X) to review major investigation findings on risk management and internal control and the management's response to these findings on its own initiative or as delegated by the Board.
- (XI) to review the financial and accounting policies and practices of the Company, oversee the legal and regulatory compliance of the directors and senior management in the performance of their duties, exercise other powers stipulated in the Articles of Association, and protect the legitimate rights and interests of the Company and its shareholders. When the Audit Committee discovers that directors or senior management have violated laws, regulations, relevant provisions of the stock exchange(s), or the Articles of Association, it shall notify the Board or report to the shareholders' meeting and disclose it in a timely manner, or it may report directly to the regulatory agency. In the process of fulfilling its supervisory duties, the Audit Committee may

propose the removal of those directors and senior management who violates laws and regulations, the SSE No. 1 Guidelines or other regulatory requirements, the Articles of Association, or resolutions passed by the shareholders' meeting.

- (XII) to review the external auditor's audit letter to the management, any major queries raised by the external auditors about accounting records, financial accounts or control systems and the response of the management.
- (XIII) to ensure that the Board will provide a timely response to the issues raised in the external auditor's audit letter to the management.
- (XIV) to review the following arrangements of the Company: the employees of the Company can, in confidence, raise concerns about possible irregularities in financial reporting, internal control or other matters. The Committee shall ensure that proper arrangements are in place for the Company to conduct fair and independent investigations and to take necessary actions accordingly.
- (XV) to liaise with the external auditors acting as the key representative of the Company, and to monitor the relationship between the Company and the external auditors.
- (XVI) to urge the external audit institutions to be honest, trustworthy, diligent and responsible, strictly abide by the business rules and industry discipline regulations, strictly implement the internal control system, check and verify the Company's financial and accounting reports, perform the special care obligations, and prudently express professional opinions.
- (XVII) to oversee the internal audit institution in conducting inspections on the following matters at least once half a year (unless otherwise specified by laws and regulations), issuing inspection reports, and submitting them to the Audit Committee. If the inspections reveal that the Company has engaged in illegal or irregular operations, the Audit Committee shall promptly report to the Shanghai Stock Exchange:
 - 1. the implementation status of significant events such as the use of raised funds, provision of guarantees, related party transactions, securities investment, derivatives trading, provision of financial assistance, purchase or sale of assets, and external investment;
 - 2. large-scale fund transactions of the Company, as well as the fund transactions between the Company and its directors, senior management, controlling shareholders, de facto controllers, and their affiliates.

The Audit Committee shall, based on the internal audit report and related materials submitted by the internal audit institution, issue a written assessment opinion on the effectiveness of the Company's internal control, and report it to the Board.

(XVIII) to deal with other matters as authorized by the Board of the Company and other relevant requirements on the Committee's responsibilities and authorities as required by the relevant laws and regulations, the Hong Kong Listing Rules and the listing rules of the jurisdiction in which the securities of the Company are listed.

The Company shall disclose the annual performance of the Audit Committee under the Board while disclosing its annual report, mainly including its performance of duties and the convening of the Audit Committee meeting.

Article 9 The Audit Committee shall be accountable to the Board. The Audit Committee shall report to the Board on necessary measures or improvements, and make recommendations, and submit proposals to the Board for consideration and approval.

Where a review opinion on a matter within its terms of reference presented by the Audit Committee is not adopted by the Board of the Company, the Company shall make information disclosure on such matter and give full description on the reasons therefor.

The Audit Committee shall exercise the duties and powers of the Board of Supervisors stipulated in the Company Law.

Article 10 The Audit Committee shall be responsible for reviewing the financial information of the Company and the disclosure thereof and supervising and assessing the internal and external audits and internal control. The following matters shall be submitted to the Board for review after being approved by a majority of all members of the Audit Committee:

- (I) to disclose financial information and internal control evaluation reports in financial accounting reports and periodic reports;
- (II) to appoint or dismiss accounting firms that undertake the audit engagements of the Company;
- (III) to appointment or dismissal of the chief financial officer of the Company (excluding subsidiaries);
- (IV) changes in accounting policies or accounting estimates or corrections of material accounting errors for reasons other than changes in accounting standards;
- (V) other matters prescribed by the laws, administrative regulations, requirements of the regulatory authorities in place where the Company is listed and the Articles of Association.

Chapter 4 Decision-making Procedures

Article 11 The audit working unit is responsible for preliminary preparations and provision of the following written information of the Company for the Audit Committee to make decisions:

- (I) relevant financial reports of the Company;
- (II) working reports of internal and external auditors;
- (III) contracts audited externally and relevant working reports;
- (IV) disclosure of information by the Company;
- (V) audit reports on material connected transactions of the Company;
- (VI) other relevant matters.

Article 12 The Audit Committee shall convene meetings to consider the reports submitted by the audit working unit and submit relevant written resolutions to the Board for consideration with respect to:

- (I) evaluation on duty performance of external auditors and engagement and replacement of external auditor;
- (II) whether the internal audit system of the Company has been effectively implemented and whether the financial reports of the Company are comprehensive and truthful;
- (III) whether the financial reports and other information disclosed publicly by the Company is objective and truthful, and whether the material connected transactions of the Company are in compliance with the relevant laws and regulations;
- (IV) evaluation on duty performance of the Company's financial department and audit department, including their persons in charge;
- (V) other relevant matters.

Chapter 5 Procedural Rules

Article 13 Meetings of the Audit Committee are classified into regular meetings and extraordinary meetings. Regular meetings shall be held at least four times a year and once a quarter. The Audit Committee may convene an extraordinary meeting if necessary. When there are two members of the Audit Committee proposing or the convener of the Audit Committee consider it is necessary, an extraordinary may be convened. In principle, a notice of meeting shall be sent to all the members three days before the date of the meeting. A meeting of the Audit Committee shall be presided over

by the chairman of the Committee. When the chairman is unable to attend the meeting, he/she may appoint another member of the Committee (an independent director) to preside over the meeting on his/her behalf. In case of urgent matters, the aforesaid period may be exempted and flexible meeting notice methods may be adopted, provided that the convener shall make explanations at the meeting.

Article 14 An Audit Committee meeting may only be convened with the presence of more than two-thirds of the members. Each member has one vote. Resolutions may only be passed by a majority of all the members of the Audit Committee voting in favor of such resolutions. In the event that a valid resolution cannot be reached in a meeting due to abstention of any member of the Audit Committee, the relevant matter shall be considered directly by the Board.

Article 15 Votes may be made by a show of hands or by poll in an Audit Committee meeting, while for voting at an extraordinary meeting of the Committee may also be by correspondence.

Article 16 Members of the Audit Committee shall attend meetings in person and deliver explicit opinions on matters under consideration. In the event that a member is unable to attend a meeting in person for any reason, the member may submit a power of attorney signed by him or her and authorize another member to attend the meeting and express opinions on his or her behalf. The power of attorney shall specify the scope and duration of authorization. Every member may accept authorization from only one member. A member who is an independent director cannot attend a meeting in person for any reason, the member shall authorize another independent director to attend the meeting on his or her behalf.

Members of audit working unit may present at meetings of the Audit Committee. Other directors and senior management of the Company may be invited to attend such meetings when necessary. Attendees of the meetings shall have the right to speak, but not the right to vote.

Article 17 The Audit Committee may, if necessary, engage an intermediary to provide professional advice on its decision-making at the cost of the Company.

Article 18 The procedures for convening of an Audit Committee meeting, its voting methods and proposals passed at such meeting must comply with the provisions of relevant laws, regulations, the Articles of Association and these rules. If a member is an interested party in any matter being considered by the Audit Committee, such member shall abstain from the discussion and voting of such matter.

Article 19 Minutes shall be kept for an Audit Committee meeting. The minutes shall be prepared by the audit department and shall contain the following information:

- (I) serial number, form, date, venue and name of the chairman of the meeting;
- (II) attendance and absence of members in person or by proxy;
- (III) name and title of each attendee;

(IV) agenda of the meeting;

(V) main points raised by any members and other relevant attendees;

(VI) name of the person taking minutes;

(VII) abstention of any interested member (if any), which shall be specified in the minutes or the relevant resolutions.

All Committee members present at the meeting shall sign the minutes. The minutes shall be delivered to all members of the Committee within a reasonable time after the meeting so that they can express their opinion on the content. The minutes, meeting summary, proxy forms, written opinion of the members of the Committee, and other meeting documents shall be kept by the Company for at least ten years.

Article 20 Any resolution passed at an Audit Committee meeting and the voting results must be reported in written form to the Board of the Company.

Article 21 Members present at such meeting are obliged to keep all matters discussed at such meeting confidential, and shall not disclose any relevant information without authorization.

Chapter 6 Addendum

Article 22 These rules shall take effect from the date of review and approval by the Board. The Company's former Terms of Reference of the Audit Committee under the Board (Revised in January 2024) shall automatically become null and void from the effective date of these rules.

Article 23 In case of matters not covered herein, the relevant state laws, administrative regulations, normative documents, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association shall apply. In case any of these rules conflicts with the state laws, administrative regulations, normative documents, the securities regulatory rules of the place where the Company's shares are listed promulgated in the future or the Articles of Association as legally modified, the relevant state laws, administrative regulations, normative documents, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association shall prevail. In such case, corresponding amendments shall be made to these rules immediately and submitted to the Board for approval.

Article 24 These rules shall be construed, interpreted, and amended by the Board of the Company.

Article 25 These rules are in both Chinese and English versions. Should there be any inconsistency between the English and Chinese versions, the latter shall prevail.