

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**CONTINUING CONNECTED TRANSACTIONS
ENTERING INTO THE SUPPLEMENTAL AGREEMENT TO THE NEW
FINANCIAL SERVICES FRAMEWORK AGREEMENT AND REVISION OF
THE ANNUAL CAPS**

BACKGROUND

Reference is made to the announcement of the Company dated 20 September 2024 (the “**Continuing Connected Transactions Announcement**”) in relation to the continuing connected transactions under the New Financial Services Framework Agreement entered into between the Company and SDG Finance Co. in respect of the following matters. SDG Finance Co. provides the Group with financial services from 1 January 2025 to 31 December 2027, including (i) deposits and related services (the “**Deposit Services**”); (ii) loan, overdraft, bill and other financing related services under the total credit facilities (the “**Financing Services**”); and (iii) other financial services, including settlement, guarantee, financial consultancy, foreign exchange settlement and sale, and cross-border capital pool (the “**Other Financial Services**”).

For details of the New Financial Services Framework Agreement, including but not limited to the terms of the above agreement, the basis for the annual caps, the pricing policy, and the reasons for and benefits of entering into the transactions contemplated under the New Financial Services Framework Agreement, please refer to the Continuing Connected Transactions Announcement.

In light of the Company’s operational and development need, the Company proposes to enter into the supplemental agreement to the New Financial Services Framework Agreement (the “**Supplemental Agreement**”) with SDG Finance Co., to increase the annual caps for the Deposit Services and the Financing Services for the financial year ending 31 December 2026 and the financial year ending 31 December 2027 on the basis of the originally signed New Financial Services Framework Agreement. Accordingly, on 29 May 2026 (after trading hours), the Board has approved the entering into of the

Supplemental Agreement between the Company and SDG Finance Co. to revise certain annual caps for the Deposit Services and the Financing Services under the New Financial Services Framework Agreement and to re-comply with the requirements of Chapter 14A of the Hong Kong Listing Rules.

EXISTING AND PROPOSED REVISED ANNUAL CAPS

Set out below are the existing annual caps for the Deposit Services and the Financing Services to be provided by SDG Finance Co. to the Group under the New Financial Services Framework Agreement for the financial years ending 31 December 2026 and 31 December 2027, the proposed revised annual caps under the Supplemental Agreement, as well as the actual transaction amounts for the three months ended 31 March 2026:

Deposit Services

	Actual transaction amount (RMB million equivalent) For the three months ended 31 March 2026	Existing annual cap (RMB million equivalent)		Proposed revised annual cap (RMB million equivalent)	
		For the financial year ending 31 December 2026	For the financial year ending 31 December 2027	For the financial year ending 31 December 2026	For the financial year ending 31 December 2027
Maximum daily balance of Deposit Services	3,795.8479	3,800	4,000	4,200	4,500
Interest income from Deposit Services on an actual basis	13.2304	100	120	150	150

Financing Services

	Actual transaction amount (RMB million equivalent)	Existing annual cap (RMB million equivalent)		Proposed revised annual cap (RMB million equivalent)	
		For the financial year ending 31 December 2026	For the financial year ending 31 December 2027	For the financial year ending 31 December 2026	For the financial year ending 31 December 2027
Maximum daily balance of loan and other financing services	3,011.8305	5,000	5,200	5,300	5,600
Maximum daily balance of overdraft services	300	1,100	1,200	1,200	1,300
Total annual credit facilities	6,300	6,300	6,600	6,700	7,100

Under the Supplemental Agreement, save for the revision of the above annual caps, all other terms under the New Financial Services Framework Agreement remain unchanged. The Supplemental Agreement shall be established upon signing and shall take effect after the Company has completed the relevant approval, exemption and disclosure procedures, and shall remain valid until 31 December 2027.

BASIS FOR THE REVISED ANNUAL CAPS

In determining the revised annual caps for the transactions contemplated under the Supplemental Agreement, the Company has considered, among others, the following key factors:

- (i) For the revised annual caps for the Deposit Services, the Company has taken into account the following key factors:
 - a. Matching with the Group's operating development strength. In 2025, the net cash flow from the Group's audited consolidated financial statements increased by approximately RMB6,062 million compared to 2024. After deducting restricted funds of approximately RMB5,679 million, including those from Shanjin International, overseas enterprises, SDG Capital Management, and loan repayments, the remaining net increase in funds available for centralized management was RMB400 million. In 2026, it is necessary to increase the deposit quota by RMB400 million from the original deposit limit. As the Group's operating cash flow continues to improve, the funds balance and settlement demand

increase year by year, with various indicators showing a trend of annual growth. On this basis, in order to match the fund management objectives and optimize the efficiency of centralized fund operations, it is necessary to increase the deposit quota by RMB500 million from the original deposit limit in 2027.

- b. Since 2025, the international and domestic gold prices have continued to rise significantly and have repeatedly reached record highs. The scope and scale of the Group's member entities will continue to expand. The sustained increase in gold prices has driven substantial growth in revenue, profits, and operating cash flows of gold mining, smelting, and processing companies. At the same time, 2026 marks the first year of the "15th Five-Year Plan". The pace of international operations of Shandong Gold Group has accelerated, with a continuous increase in overseas merger and acquisition projects. Overseas mining investment projects previously deployed are also gradually entering the cash return period, with funds of overseas enterprises growing steadily, which will also lead to a significant increase in the monetary funds of the Group's member entities.
- (ii) For the revised caps for the Financing Services, the Company has taken into account the following key factors:
- a. To meet the needs for expanding credit business cooperation between both parties. Currently, the credit business services provided by SDG Finance Co. to the Group and its members mainly include working capital loans, legal entity account overdrafts, bill acceptance and discounting, and guarantees. According to statistics, the maximum balance of loans and other financing businesses in 2025 was RMB3,569 million, which is close to the connected transaction cap. With the increase in the number of members of the Group and the expansion of production and operation scale, the demand for working capital and merger and acquisition funds has increased accordingly. The original credit facilities, daily maximum balance of loans and other financing services can no longer meet business needs, so the corresponding connected transaction caps need to be increased.
 - b. Fully utilizing the advantages of SDG Finance Co.'s bill business to reduce costs and improve efficiency. The enterprises are generally required to pay a 20% to 30% deposit to open acceptance bills with banks, while SDG Finance Co. has a higher credit rating for the Group and its members, and is able to waive the opening deposit for most enterprises, which has the advantages of reducing capital consumption and providing convenience and efficiency for business operations. In 2024 and 2025, the amount of acceptances conducted by the Group's subsidiaries with SDG Finance Co. was RMB2,221 million and RMB1,948 million, respectively, representing decreases of RMB444 million and RMB389 million in margin expenses as compared with acceptances conducted with banks, respectively.
- (iii) For the Other Financial Services, the Company contemplates that the annual demand for the two financial years ending 31 December 2026 and 31 December 2027 will remain unchanged.

PRICING POLICY

The interest rates applicable to the Deposit Services provided by SDG Finance Co. to the Group shall (i) comply with the normal commercial terms and the relevant requirements of the PBOC; (ii) be no less than benchmark deposit interest rates for the same period published by the PBOC and interest rates for comparable deposits for the same period provided by other major domestic commercial banks; and (iii) be less than interest rates for comparable deposits for the same period of other members of Shandong Gold Group with SDG Finance Co..

The interest rates for the Financing Services provided by SDG Finance Co. to the Group shall (i) be on normal commercial terms and in compliance with applicable loan interest rate policies; and (ii) be no higher than rates for comparable loans for the same period obtained by members of the Group from other domestic financial institutions. For bill services, the proportion of handling fees shall not be higher than those charged by other domestic financial institutions to members of the Group. No security over the assets of the Group will be granted in respect of the financial assistance given by SDG Finance Co..

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL AGREEMENT

The benefits to the Group from relevant financial services provided by SDG Finance Co. pursuant to the New Financial Services Framework Agreement are as follows:

- (i) the rates on loans and deposits offered by SDG Finance Co. to the Group will be equal to or more favourable than those offered by other PRC commercial banks;
- (ii) SDG Finance Co. is regulated by the PBOC and the NFRA and provides its services in accordance with and in satisfaction of the rules and operational requirements of these regulatory authorities;
- (iii) pursuant to the relevant regulations of the PBOC and the NFRA, the customers of SDG Finance Co. are limited to entities within Shandong Gold Group (including the Group), thereby reducing the credit and operational risks that SDG Finance Co. may otherwise be exposed to if its customers included other entities unrelated to Shandong Gold Group.

The entering into of the Supplemental Agreement is a necessary adjustment made based on the production and operation and actual business development needs of the Company, which is conducive to further optimizing the financial management of the Company, improving the efficiency of fund utilization, reducing financing costs, and better providing financial support for the long-term development of the Company.

CONFIRMATION BY THE BOARD

The Directors, including the independent non-executive Directors, are of the view that, the above continuing connected transactions under the New Financial Services Framework Agreement are entered into on normal commercial terms in the ordinary and usual course of business of the Group, are fair and reasonable and are in the interest of the Company and its Shareholders as a whole.

The Directors (including the independent non-executive Directors) are also of the view that the revised annual caps for the transactions contemplated under the Supplemental Agreement, including the Deposit Services and the Financing Services to be provided by SDG Finance Co. to the Group, are fair and reasonable and are in the interests of the Company and its Shareholders as a whole. The Directors, Mr. Han Yaodong and Mr. Liu Qin, who also hold senior management positions in Shandong Gold Group, are deemed to have material interests in the continuing connected transactions contemplated under the Supplemental Agreement and have abstained from voting on the relevant resolutions of the Board. Save for the Directors mentioned above, none of the other Directors has or is deemed to have a material interest in the above transactions.

INTERNAL CONTROL

With a view to safeguarding the interests of the Independent Shareholders, the Company will require SDG Finance Co. to provide it with periodic reports on its liquidity in order for the Company to determine the suitability of engaging SDG Finance Co. for the transactions contemplated under the New Financial Services Framework Agreement and the Supplemental Agreement from time to time. The Company's external auditors will review the transactions contemplated under the New Financial Services Framework Agreement and the Supplemental Agreement annually to check and confirm, among others, whether the pricing terms have been adhered to and whether the proposed caps have been exceeded. The Company will maintain a sufficient internal control system to ensure that the transactions contemplated under the New Financial Services Framework Agreement and the Supplemental Agreement will be on normal commercial terms and no less favourable to the Company than those offered by Independent Third Parties.

INFORMATION OF THE RELEVANT PARTIES

The Company

The Company was established by its promoters with approval from the Shandong Economic System Reform Committee (山東省經濟體制改革委員會) and the People's Government of Shandong Province (山東省人民政府) in January 2000. The Company is an integrated gold company listed on the SSE and the Hong Kong Stock Exchange in 2003 and 2018, respectively. It is one of the largest gold producers listed domestically and/or in Hong Kong that operates in the PRC. 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 in South America, and Ghana and Namibia in 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 financial services business and a capital investment and financing support platform.

SDG Group Co.

As the controlling shareholder of the Company, SDG Group Co. was established in the PRC in July 1996. SDG Group Co. 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 Co. are mainly located in the PRC. As at the date of this announcement, SDG Group Co. directly and indirectly holds approximately 42.9760% of the Company's issued share capital.

SDG Finance Co.

As at the date of this announcement, SDG Finance Co. is held as to 30% by the Company and 70% by SDG Group Co. and is principally engaged in carrying on business approved by the NFRA pursuant to relevant applicable laws and regulations. SDG Finance Co. is an institution regulated by the PBOC and the NFRA. SDG Finance Co. is a non-banking financial institution incorporated in the PRC in July 2013 and is subject to the Administrative Measures on Finance Companies within Group Enterprises (《企業集團財務公司管理辦法》) and other relevant regulations promulgated by the PBOC and the NFRA.

IMPLICATIONS UNDER THE HONG KONG LISTING RULES

Any transactions between the Group and SDG Group Co., or its associates (as defined under Chapter 14A of the Hong Kong Listing Rules) will constitute connected transactions under Chapter 14A of the Hong Kong Listing Rules. SDG Finance Co. is controlled by SDG Group Co., hence SDG Finance Co. is a connected person of the Company by virtue of being an associate of the Company's substantial shareholder under Chapter 14A of the Hong Kong Listing Rules. As a result, the New Financial Services Framework Agreement (including the Supplemental Agreement) and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As one or more of the applicable percentage ratio(s) (as defined in Rule 14.07 of the Hong Kong Listing Rules) applicable to the revised annual caps for the Deposit Services under the Supplemental Agreement is more than 0.1% but less than 5%, the Deposit Services provided by SDG Finance Co. to the Group are subject to the reporting and announcement requirements as set out in Rule 14A.35 of the Hong Kong Listing Rules but exempt from the Independent Shareholders' approval requirement under Rules 14A.36 to 14A.39 of the Hong Kong Listing Rules. The Company will disclose the relevant details in the next annual report to be published and the accounts of the Company in accordance with the relevant requirements as set out in Rule 14A.71 of the Hong Kong Listing Rules.

For the Financing Services to be provided by SDG Finance Co. to the Group, its services are conducted on normal commercial terms or better and are not secured by the assets of the Group. According to Rule 14A.90 of the Hong Kong Listing Rules, the Financing Services are fully exempt under Rule 14A of the Hong Kong Listing Rules from reporting, announcement and Independent Shareholders' approval requirements.

As the A Shares are listed on the Shanghai Stock Exchange, the Company will continue to be subject to and regulated by the SSE Listing Rules and other applicable laws and regulations in the PRC insofar as the A Shares remain listed. The requirements of the Hong Kong Listing Rules in relation to connected transactions are different from those of the SSE Listing Rules. In particular, the definition of connected person under the Hong Kong Listing Rules is different from the definition of related party under the SSE Listing Rules. Therefore, a connected transaction under the Hong Kong Listing Rules may or may not constitute a related party transaction under the SSE Listing Rules, and vice versa.

According to the SSE Listing Rules and the Articles of Association, the Supplemental Agreement and the transactions contemplated thereunder have to be submitted to the general meeting for consideration and approval. An ordinary resolution will be proposed at the EGM to seek approval for the revised annual caps for the Deposit Services and the Financing Services under the Supplemental Agreement. SDG Group Co. and its associates will abstain from voting on the relevant resolutions at the extraordinary general meeting.

As at the date of this announcement, the Board confirms that the Company's actual transaction amount under the New Financial Services Framework Agreement have not exceeded the existing annual caps.

DEFINITIONS

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

“A Share(s)”	the domestic share(s) issued by the Company to domestic investors with a nominal value of RMB1.0 each, which are listed on the Shanghai Stock Exchange;
“Articles of Association”	the Articles of Association of the Company, as amended from time to time;
“associate(s)”	has the meaning as ascribed to it under the Hong Kong Listing Rules;
“Board”	the board of Directors of the Company;

“China” or the “PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan;
“Company”	Shandong Gold Mining Co., Ltd. (山東黃金礦業股份有限公司), a joint stock company incorporated under the laws of the PRC with limited liability on 31 January 2000, the H Shares and A Shares of which are listed on the main board of the Hong Kong Stock Exchange (Stock Code: 1787) and the Shanghai Stock Exchange (Stock Code: 600547), respectively;
“connected person(s)”	has the meaning as ascribed to it under the Hong Kong Listing Rules;
“connected transactions”	has the meaning as ascribed to it under the Hong Kong Listing Rules;
“controlling shareholder(s)”	has the meaning as ascribed to it under the Hong Kong Listing Rules;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“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;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Independent Shareholders”	the Shareholders other than SDG Group Co. and its associates;
“Independent Third Party(ies)”	the third party(ies) independent from the Company and its connected person(s) (as defined in the Hong Kong Listing Rules);
“New Financial Services Framework Agreement”	the Financial Services Framework Agreement entered into between the Company and SDG Finance Co. on 20 September 2024;

“NFRA”	the National Financial Regulatory Administration, formerly known as China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會);
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC;
“RMB”	Renminbi, the lawful currency of the PRC;
“SDG Capital Management”	SDG Capital Management Co., Ltd. (山金金控資本管理有限公司), a private equity and venture capital fund manager registered with the Asset Management Association of China, 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), a company incorporated in the PRC with limited liability on 17 July 2013, which was held as to 30% by the Company and 70% by SDG Group Co., respectively;
“SDG Group Co.”	Shandong Gold Group Co., Ltd. (山東黃金集團有限公司), a limited liability company incorporated in the PRC on 16 July 1996, the controlling shareholder of the Company;
“Shandong Gold Group”	SDG Group Co. and all of its subsidiaries;
“Shanghai Stock Exchange” or “SSE”	Shanghai Stock Exchange (上海證券交易所);
“Shanjin International”	Shanjin International Gold Co., Ltd. (山金國際黃金股份有限公司) (formerly “Yintai Gold Co., Ltd. (銀泰黃金股份有限公司)”), a joint stock company established in the PRC with limited liability on 18 June 1999, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000975), and a controlling subsidiary of the Company;
“Share(s)”	share(s) in the share capital of the Company, with a nominal value of RMB1.0 each, comprising the A Share(s) and the H Share(s);
“Shareholder(s)”	holder(s) of the Share(s);
“SSE Listing Rules”	the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (上海證券交易所股票上市規則) as amended, supplemented or otherwise modified from time to time; and

“%”

per cent.

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

Jinan, the PRC, 29 May 2026

As at the date of this announcement, 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.