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

If you have sold or transferred all your shares in **Shandong Gold Mining Co., Ltd.**, you should at once hand this circular to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

**PROPOSED AMENDMENTS TO THE GOVERNANCE SYSTEMS;
PROPOSED FORMULATION OF THE REMUNERATION MANAGEMENT SYSTEM FOR
DIRECTORS AND SENIOR MANAGEMENT;
RESOLUTION REGARDING THE SUPPLEMENTAL AGREEMENT TO THE NEW FINANCIAL
SERVICES FRAMEWORK AGREEMENT ENTERED INTO BETWEEN THE COMPANY AND
SHANDONG GOLD GROUP FINANCE CO., LTD.;**
**RESOLUTION REGARDING THE GENERAL MANDATE FOR ISSUE OF DEBT FINANCING
INSTRUMENTS DOMESTICALLY AND INTERNATIONALLY;
AND
NOTICE OF 2026 FIRST EXTRAORDINARY GENERAL MEETING**

A notice convening the 2026 first extraordinary general meeting (the “EGM”) of Shandong Gold Mining Co., Ltd. (the “Company”) to be held at the conference room of the Company, No. 2503, Jingshi Road, Licheng District, Jinan, Shandong Province, the PRC at 9:30 a.m. on Friday, 26 June 2026 is set out on pages EGM-1 to EGM-2 of this circular.

The proxy form for use in connection with the EGM is enclosed herewith. The proxy form is also published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company’s website (<http://www.sdhjgf.com.cn>).

Any shareholder(s) of the Company (the “Shareholders”) entitled to attend and vote at the EGM is (are) entitled to appoint one or more proxies to attend and vote on his/her (their) behalf. A proxy need not be a Shareholder. If you intend to appoint a proxy to attend the EGM and vote on your behalf, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return it, by hand, by post or by facsimile, to the Company’s H share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H Shareholders only) as soon as possible and in any event not later than 24 hours before the time appointed for the holding of the EGM (i.e. before 9:30 a.m. on Thursday, 25 June 2026) or not later than 24 hours before the time appointed for holding of any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

If H Shareholders intend to register for the EGM, please contact the Board office of the Company before 4:30 p.m. on Monday, 22 June 2026 (Email: hj600547@163.com; Phone: 0531-67710376).

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DEFINITIONS

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

“A Share(s)”	the domestic share(s) issued by the Company to domestic investors with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange;
“A Shareholder(s)”	holder(s) of A Shares;
“Articles of Association” or “Articles”	the articles of association of the Company, as amended from time to time;
“Board”	the board of Directors;
“Company” or “Shandong Gold”	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;
“Company Law”	the Company Law of the PRC;
“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;
“CSRC”	China Securities Regulatory Commission;
“Director(s)”	the director(s) of the Company;
“EGM”	the 2026 first extraordinary general meeting of the Company to be held at the conference room of the Company, No. 2503, Jingshi Road, Licheng District, Jinan, Shandong Province, the PRC at 9:30 a.m. on Friday, 26 June 2026;
“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 RMB1.00 each, which are listed on the Hong Kong Stock Exchange;

DEFINITIONS

“H Shareholder(s)”	holder(s) of H Shares;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended, supplemented or otherwise modified from time to time;
“Hong Kong Stock Exchange” or “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);
“Latest Practicable Date”	3 June 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this circular;
“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;
“PRC” or “China”	the People’s Republic of China which, for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“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 is held as to 30% by the Company and 70% by SDG Group Co., respectively;

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“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;
“Securities Law”	the Securities Law of the PRC;
“Shandong Gold Group”	SDG Group Co. and all of its subsidiaries;
“Shanghai Listing Rules”	the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (《上海證券交易所股票上市規則》) as amended, supplemented or otherwise modified from time to time;
“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 known as “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)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, including A Share(s) and H Share(s);
“Shareholder(s)”	A Shareholder(s) and H Shareholder(s); and
“%”	per cent.

LETTER FROM THE BOARD



SD-GOLD

SHANDONG GOLD MINING CO., LTD.

山東黃金礦業股份有限公司

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

(Stock Code: 1787)

Executive Directors:

Mr. Xiu Guolin
Mr. Xu Jianxin
Mr. Tang Qi
Ms. Liu Yanfen

Non-executive Directors:

Mr. Han Yaodong (*Chairman*)
Mr. Liu Qin

Independent Non-executive Directors:

Mr. Zhan Kai
Mr. Liew Fui Kiang
Ms. Zhao Feng

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

No. 2503, Jingshi Road
Licheng District, Jinan
Shandong Province
The PRC

**Principal place of
business in Hong Kong:**

Rooms 4003-06
China Resources Building
No. 26 Harbour Road
Wanchai
Hong Kong

3 June 2026

To the Shareholders,

**PROPOSED AMENDMENTS TO THE GOVERNANCE SYSTEMS;
PROPOSED FORMULATION OF THE REMUNERATION MANAGEMENT SYSTEM FOR
DIRECTORS AND SENIOR MANAGEMENT;
RESOLUTION REGARDING THE SUPPLEMENTAL AGREEMENT TO THE NEW
FINANCIAL SERVICES FRAMEWORK AGREEMENT ENTERED INTO BETWEEN THE
COMPANY AND SHANDONG GOLD GROUP FINANCE CO., LTD.;**
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LETTER FROM THE BOARD

INTRODUCTION

On behalf of the Board, I invite you to attend the EGM to be held at the conference room of the Company, No. 2503, Jingshi Road, Licheng District, Jinan, Shandong Province, the PRC at 9:30 a.m. on Friday, 26 June 2026.

The purpose of this circular is to issue the notice of EGM and provide you with all reasonably necessary information to enable you to make an informed decision as to the resolutions to be proposed at the EGM.

PROPOSED AMENDMENTS TO THE GOVERNANCE SYSTEMS

In order to comprehensively implement and comply with the latest legal and regulatory requirements, further promote the standardized operation of the Company, protect the legitimate rights and interests of the Company and its Shareholders, and establish and improve the internal management system, in accordance with relevant provisions of Company Law, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Guidelines of the Shanghai Stock Exchange for Self-regulation of Listed Companies No. 5 – Transactions and Related Party Transactions (《上海證券交易所上市公司自律監管指引第5號—交易與關聯交易》), the Guidelines for the Supervision of Listed Companies No. 8 – Supervision Requirements for Fund Transactions and External Guarantees of Listed Companies (《上市公司監管指引第8號—上市公司資金往來、對外擔保的監管要求》), the Guidelines No. 1 on Self-Regulatory and Supervision for Listed Companies on the Shanghai Stock Exchange – Standardized Operation (《上海證券交易所上市公司自律監管指引第1號——規範運作》), the Administrative Measures of Registration of Securities Offering by Listed Companies (《上市公司證券發行註冊管理辦法》), Regulatory Rules for Raised Funds of Listed Companies (《上市公司募集資金監管規則》) and other laws, regulations and regulatory documents, as well as the relevant provisions of the Articles of Association, together with the actual situation, the Company proposes to revise the Management System for Related Party Transactions (《關聯交易管理制度》); the Decision-making System for External Guarantees (《對外擔保決策制度》) and Management Measures for Raised Funds (《募集資金管理辦法》) (collectively, the “**Proposed Amendments to the Governance Systems**”). The full text of the proposed amendments to the Management System for Related Party Transactions (《關聯交易管理制度》), the Decision-making System for External Guarantees (《對外擔保決策制度》) and the Management Measures for Raised Funds (《募集資金管理辦法》) are set out in Appendices I to III of this circular. The Proposed Amendments to the Governance Systems abovementioned have been prepared in English version, and in case of any discrepancy between the English translation and the Chinese version of the Proposed Amendments to the Governance Systems, the Chinese version shall prevail.

PROPOSED FORMULATION OF THE REMUNERATION MANAGEMENT SYSTEM FOR DIRECTORS AND SENIOR MANAGEMENT

In order to comprehensively implement and comply with the latest legal and regulatory requirements, further improve the remuneration management system for the Company’s Directors and senior management, establish a scientific, standardized and effective incentive and restraint mechanism, fully motivate the working enthusiasm of the Directors and senior management, and enhance the operating and management efficiency of the Company, the Company proposed to establish the Remuneration Management System for Directors and Senior Management in accordance with the Company Law, the Code of Corporate Governance for Listed Companies, the Notice on Implementing Relevant Requirements of the Code of Corporate

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Governance for Listed Companies (Shanghai Stock Exchange) and other laws, regulations and regulatory documents, as well as the relevant provisions of the Articles of Association, and taking into account the actual circumstances of the Company. The Remuneration Management System for Directors and Senior Management includes, among other things, the mechanism for determining the total salary, the remuneration structure for directors and senior management, performance appraisal, remuneration payment, and suspension and clawback, etc. The full text of the proposed Remuneration Management System for Directors and Senior Management is set out in Appendix IV to this circular.

RESOLUTION REGARDING THE SUPPLEMENTAL AGREEMENT TO THE NEW FINANCIAL SERVICES FRAMEWORK AGREEMENT ENTERED INTO BETWEEN THE COMPANY AND SHANDONG GOLD GROUP FINANCE CO., LTD.

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:

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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
Interest income from Deposit Services on an actual basis	13.2304	100	120	150	150

Financing 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 loan and other financing services	3,011.8305	5,000	5,200
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.

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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

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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 no 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;

LETTER FROM THE BOARD

- (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.

LETTER FROM THE BOARD

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 Latest Practicable Date, SDG Group Co. directly and indirectly holds approximately 42.9760% of the Company's issued share capital.

SDG Finance Co.

As at the Latest Practicable Date, 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.

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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.

As at the Latest Practicable Date, the Board confirms that the Company's actual transaction amount under the New Financial Services Framework Agreement have not exceeded the existing annual caps.

RESOLUTION REGARDING THE GENERAL MANDATE FOR ISSUE OF DEBT FINANCING INSTRUMENTS DOMESTICALLY AND INTERNATIONALLY

As of 26 May 2026, the aggregate balance of the Company's debt financing instruments amounted to RMB8 billion, comprising RMB4 billion of corporate credit bonds and RMB4 billion of perpetual corporate bonds. To satisfy the business development needs of the Company, reduce financing cost and make use of favorable opportunities in a timely manner, the Company intends to issue corporate debt financing instruments in one batch or in multiple batches both domestically and internationally. In accordance with the relevant provisions of the Company Law and other applicable laws, regulations and regulatory documents, as well as the Articles of Association, and taking into account the actual circumstances of the Company, it is hereby proposed that the general meeting consider and approve the general mandate for the issuance of debt financing instruments both domestically and internationally.

LETTER FROM THE BOARD

I. Principal Terms for Issuance of the Debt Financing Instruments

(I) Types of issuance

The debt financing instruments include but not limited to enterprise bonds, shelf offering of corporate bonds, offshore bonds, ultra short-term commercial papers, short-term commercial papers, medium-term notes, perpetual medium-term notes, asset-backed notes, convertible bonds, private placement of debt financing instruments and other onshore or offshore debt financing instruments denominated in Renminbi or foreign currencies approved by regulatory authorities for issuance.

(II) Size of issue

The issue size of the domestic and offshore debt financing instruments of this mandate shall not be more than RMB15 billion or equivalent amount in foreign currency (calculated based on the outstanding payable balance after the issue, while for the issue denominated in a foreign currency, calculated based on central parity rate published by the People's Bank of China on the date of such issue), which can be issued either one-off or in tranches within the definite validity period.

(III) Currency of issuance

The currency of issuance of debt financing instruments may be RMB, US dollars or foreign currency with strong liquidity based on the review and approval results of the issuance of debt financing instruments and the domestic and overseas market conditions of debt financing instruments at the time of such issuance.

(IV) Term and interest rate

The maximum term of debt financing instruments shall be no more than 15 years with a single term or hybrid type of multiple terms. The domestic debt financing instruments with an indefinite term are not subject to the time limit mentioned above. The composition of specific terms, the size of issuance of each term and type of debt financing instruments and their interest rates shall be determined by the Board of Directors or the Chairman and its authorized person(s) in accordance with the relevant regulations and the then prevailing market conditions at the time of such issuance.

(V) Issuer

The issuer shall be the Company or a domestic or offshore controlled subsidiary or a special purpose vehicle of the Company, and in the case of a domestic or offshore controlled subsidiary or a special purpose company of the Company as the issuer of the debt financing instruments, the Company can provide guarantees (including the guarantee provided by the issuer of the debt financing instrument itself and/or such guarantee provided by the Company) to such subsidiaries or special purpose vehicle within the issue size of its debt financing instruments, issue a keepwell agreement or adopt third party credit enhancement conventional method.

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(VI) Issuance price

The specific issuance price shall be determined by the Board of Directors or the Chairman and its authorized person(s) in accordance with relevant regulations and market conditions.

(VII) Use of proceeds

After deducting the issuance expenses, the proceeds to be raised from the proposed issue of the debt financing instruments are intended to be used towards meeting the demand of the Company's daily operations, repaying loans, replenishing its working capital and/or other investment acquisition purposes, and the specific use of proceeds shall be determined by the Board or the chairman of the Board and his authorized persons according to the capital needs of the Company from time to time.

(VIII) Method of issuance

Method of issue shall be determined based on the review and results of issue approval of debt financing instruments and the domestic and overseas bond market conditions at the time of the issue of debt financing instruments.

(IX) Listing arrangements

The debt financing instruments to be issued are proposed to be listed on the Inter-bank Bond Market, the Shanghai Stock Exchange, The Stock Exchange of Hong Kong Limited or other domestic or foreign exchanges.

II. Matters in Relation to the Mandate of Issue of Debt Financing Instruments

- (I) Subject to the approval and authorization of this matter by the EGM of the Company, it is proposed that a general and unconditional mandate be granted to the Board of Directors, and that the Board be further authorized to delegate to the Chairman of the Board and his/her authorized persons, on the premise of complying with relevant laws and regulations, to have full discretion to determine and handle all matters relating to the issuance of debt financing instruments according to the Company's needs from time to time and market conditions, including but not limited to:
1. determining and implementing the specific terms and proposal of the issue of debt financing instruments, including but not limited to the establishment and determination of the appropriate issuer, the type of the debt financing instruments to be issued, the method of issue, the currency of issue, the nominal value of the debt financing instruments, the price of issue, the size of issue, the interest rate of issue or its determination mechanism, the markets for issue, the timing of issue, the term of issue, issue in installments and number of tranches (if applicable), put-back clauses and redemption clause (if applicable), option to increase the coupon rate, rating, guarantees (if applicable), repayment period, conversion price, use of proceeds, placing, underwriting and all matters in respect of the issue of debt financing instruments.

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2. carrying out all necessary and ancillary actions and procedures in relation to the issue of debt financing instruments, including but not limited to, select and engage intermediary institutions, handle all approval, registration and filing procedures with the relevant regulatory authorities in connection with the issue on behalf of the Company, sign, revise and execute all necessary documents for the issue, select trustee(s) for the issue of debt financing instruments, formulate rules for meetings of the holders of the debt financing instruments, deal with any related disclosure in accordance with the applicable laws and regulations and requirements from regulatory authorities, and deal with any other matters in connection with the bond issue and trading.
 3. subject to the authorization at the EGM, if there are changes in the regulatory policies or market conditions, correspondingly revising the specific proposals and terms of the proposal for the issue of debt financing instruments in due course in accordance with the view of regulatory authorities or in the event that there are changes in the then market conditions, or determining whether to continue relevant issues based on actual situations, except for matters that require approval at the EGM of the Company in respect of relevant laws, regulations and the Articles of Association.
 4. deciding and dealing with all relevant matters in connection with the proposed listing of debt financing instruments to be issued on the Inter-bank Bond Market, the Shanghai Stock Exchange, The Stock Exchange of Hong Kong Limited or other domestic or foreign exchanges according to the market conditions.
 5. to handle any other specific matters related to the issuance of debt financing instruments and execute all relevant or necessary documents.
 6. to agree that, upon approval and authorization by the EGM, the Board may further authorize the chairman of the Board and his authorized persons to implement all matters relating to the issuance of debt financing instruments based on the needs of the Company and other market conditions.
- (II) To authorize the Chairman and his authorized person(s) to approve, execute and dispatch relevant documents, announcements and circulars and make relevant information disclosure in accordance with the applicable rules and regulations in the place where the shares of the Company are listed.

III. The Validity Period of Authorization for Issuance of Debt Financing Instruments

The validity period for issuance of debt financing instruments shall be effective for a period of 24 months from the date of approval by the EGM of the Company.

If the Board of Directors or the Chairman and his authorized person(s) have resolved to issue the debt financing instruments within the validity period of the authorization and the Company has also obtained the approval, permission or registration (if applicable) for such issuance from the competent regulatory

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authorities within the validity period of the authorization, the Board of Directors or the Chairman and his authorized person(s) may complete the issuance of debt financing instruments within the validity period of such approval, permission or registration.

If this resolution is approved at the EGM of the Company, within the validity period of the authorization for issuance of debt financing instruments mentioned above, the issuance of domestic and overseas debt financing instruments shall be determined and implemented by the Board of Directors in accordance with this resolution.

EGM

The EGM is to be held at the conference room of the Company, No. 2503, Jingshi Road, Licheng District, Jinan, Shandong Province, the PRC at 9:30 a.m. on Friday, 26 June 2026. The notice of the EGM is set out on pages EGM-1 to EGM-2 of this circular.

Any Shareholder entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote on his/her (their) behalf. A proxy need not be a Shareholder. If you intend to appoint a proxy to attend the EGM and vote on your behalf, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return it, by hand, by post or by facsimile, to the Company's H share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H Shareholders only) as soon as possible and in any event not later than 24 hours before the time appointed for the holding of the EGM (i.e. before 9:30 a.m. on Thursday, 25 June 2026) or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

CLOSURE OF REGISTER OF MEMBERS OF H SHARES

For the purpose of ascertaining the Shareholders who are entitled to attend and vote at the EGM, the H Shares register of members of the Company will be closed from Tuesday, 23 June 2026 to Friday, 26 June 2026, both dates inclusive, during which period no transfer of H Shares will be effected. H Shareholders whose names appear on the H Share register of members of the Company at the close of business on Monday, 22 June 2026 are entitled to attend and vote at the EGM.

For the purpose of ascertaining the Shareholders who are entitled to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged by H Shareholders with the Company's H Share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Monday, 22 June 2026.

VOTING

Pursuant to Rule 13.39(4) of the Hong Kong Listing Rules and Article 96 of the Articles of Association, unless the chairman of the meeting makes a decision in good faith and agrees that the resolution regarding relevant procedures or administrative matters shall be voted on by show of hands, voting for a general meeting shall be conducted by poll.

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Pursuant to Article 89 of the Articles of Association, Shareholders (including proxies) shall exercise their voting rights according to the number of voting shares they represent, with one vote for each share.

Any Shareholder who has a material interest in the Supplemental Agreement and the transactions contemplated thereunder shall abstain from voting on the relevant resolution at the EGM. As at the Latest Practicable Date, SDG Group Co., the controlling Shareholder, and its subsidiaries directly and indirectly hold 1,981,165,286 A Shares, representing approximately 42.9760% of the issued share capital of the Company and will be required to abstain from voting on the resolution regarding the Supplemental Agreement to the New Financial Services Framework Agreement entered into between the Company and Shandong Gold Group Finance Co., Ltd. at the EGM. Save for SDG Group Co. and its subsidiaries, as at the Latest Practicable Date, to the best knowledge of the Directors, no other Shareholder would be required to abstain from voting on the relevant resolution as no other Shareholder has any interest in the Supplemental Agreement and the transactions contemplated thereunder.

Save as disclosed above, no Shareholder will be required to abstain from voting on the resolutions at the EGM.

RECOMMENDATION

The Directors are of the view that the proposed resolutions at the EGM are fair and reasonable and in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM.

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

MANAGEMENT SYSTEM FOR RELATED PARTY TRANSACTIONS OF SHANDONG GOLD MINING CO., LTD.

Chapter I General Provisions

Article 1 In order to regulate the related party transactions between SHANDONG GOLD MINING CO., LTD. (hereinafter referred to as the “Company”) and its related persons/parties, and to protect the legal interests of the Company and the investors, the Company has formulated the system in accordance with relevant requirements provided by Company Law of the People’s Republic of China, Securities Law of the People’s Republic of China, the Administrative Measures on the Information Disclosures of Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”, of which “The Stock Exchange of Hong Kong Limited” is hereinafter referred to as the “Stock Exchange”), the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (hereinafter referred to as the “Shanghai Listing Rules”, of which “Shanghai Stock Exchange” is hereinafter referred to as the “SSE”), Guidelines No. 1 on Self-Regulatory and Supervision for Listed Companies on the Shanghai Stock Exchange – Standardized Operation (hereinafter referred to as the “SSE No. 1 Guidelines”), Shanghai Stock Exchange Self-Regulatory Supervision Guidelines for Listed Companies No. 5 – Transactions and Related Party Transactions (hereinafter referred to as the “SSE No. 5 Guidelines”), Accounting Standards for Business Enterprises, International Financial Reporting Standards and other relevant laws, regulations, rules, regulatory documents (hereinafter referred to as the “Laws and Regulations”) and relevant provisions of the articles of association of SHANDONG GOLD MINING CO., LTD. (hereinafter referred to as the “Articles of Association”).

Article 2 The audit committee under the board of directors of the Company shall be liable for control and daily administration of the related party transactions of the Company.

Article 3 Related party transactions of the Company shall comply with the following basic principles:

- (1) Principles of equality, willingness, pricing equality and compensation;
- (2) Principles of fairness, impartiality and openness;
- (3) When a related party transaction is considered at a general meeting, the related shareholders shall withdraw from voting;
- (4) When a related party transaction is considered at a board meeting, the related directors shall withdraw from voting nor voting on behalf of another director;
- (5) The board of directors of the Company shall determine whether such related party transactions are beneficial to the Company based on objective criteria; and should hire a professional appraiser or an independent financial adviser, if necessary;
- (6) The related party transactions comply with the provisions of the relevant Laws and Regulations and accounting systems.

Chapter II Definition and Classification of Related Person/Party and Related Party Transaction

Article 4 The related persons/parties of the Company include related legal persons, related natural persons and other organizations.

Article 5 The related persons/parties of the Company include the related persons/parties as defined in the Shanghai Listing Rules, the Administrative Procedures on the Information Disclosures of Listed Companies issued by CSRC, the Hong Kong Listing Rules, Accounting Standards for Business Enterprises, International Financial Reporting Standards. For the details of the scope, please refer to Annex I.

Article 6 The related party relationship represents the relationship between the Company and the abovementioned related natural persons, related legal persons and those connected persons as defined in the Hong Kong Listing Rules.

Article 7 The related party transactions of the Company mean the transactions between the Company and its controlled subsidiaries and the related persons/parties.

Article 8 The related party transactions of the Company include the transactions recognised by laws and regulations such as the Shanghai Listing Rules, the Hong Kong Listing Rules, Accounting Standards for Business Enterprises and International Financial Reporting Standards. For the details of the scope, please refer to Annex II.

Chapter III Decision-Making Procedures and Disclosure Standards of Related Party Transactions

Article 9 The Company shall comply with the following approval procedures and timely disclosure on the basis of the amount of related party transactions with related persons as defined in the Shanghai Listing Rules:

- (1) Transactions between the Company and the related persons with an amount of over RMB30 million (including the liabilities and costs assumed) and accounting for more than 5% of the absolute value of the latest audited net assets of the Company, or the Company's related party transactions fail to meet the standards specified as aforementioned, but are required by the CSRC and the SSE based on the prudential principle or deemed necessary by the Company shall be submitted to the general meeting for review. The audit report or appraisal report shall be disclosed in accordance with the provisions of Rule 6.1.6 of the Shanghai Listing Rules. The daily related party transactions specified in Rule 6.3.17 of the Shanghai Listing Rules may not have to be audited or appraised.
- (2) Guarantees to be provided by the Company to the related persons, regardless of the amount, should be examined and approved at the general meeting after the consideration and approval of the board meeting.
- (3) Transactions between the Company and a related legal person (or other organisations) with an amount of over RMB3 million (including the liabilities and costs assumed) and accounting for more than 0.5% of the absolute value of the latest audited net assets of the Company and transactions between the Company and a related natural person with an amount of over

RMB300,000 (including the liabilities and costs assumed) shall be submitted to the board of directors for consideration after obtaining the affirmative vote of more than half of all independent directors.

**Section I Decision-Making and Disclosure of Related Party Transactions
Under the Shanghai Listing Rules**

Article 10 Jointly investment with related parties. The Company and related parties make jointly investment. When the Company increases or reduces capital in a jointly invested enterprise, the investment and increase or reduction in capital shall be used as the basis for calculation, and the provisions of Article 9 shall be applied.

If a related person of the Company unilaterally increases or reduces capital in an enterprise controlled or held by the Company, and the waiver of rights is involved, if the waiver of rights by the Company does not change the scope of its consolidated statements, but its equity ratio in the entity becomes less than the one if the Company had not exercised the rights, the equity value waived and the financial indicators calculated in proportion to the change in equity ratio shall apply to the provisions of Article 9. If the waiver of rights by the Company changes the scope of its consolidated statements, the equity value waived and the financial indicators of the entity shall apply to the provisions of Article 9. If it does not involve a waiver of rights, but may have a significant impact on the Company's financial condition and operating results, or result in changes in the Company's related relationship with the entity, the Company shall disclose such matter in a timely manner.

Article 11 Related party transactions with finance companies. Where the Company conducts financial business such as deposit and lending with a finance company that has a related relationship, it shall apply to the provisions of Article 9 on related transactions based on the higher of the principal amount and interest of the deposit and the amount of interest on the loan.

When conducting related party transactions with finance companies, the Company shall (i) enter into financial services agreements; (ii) obtain and review the audited annual financial reports of the finance companies, evaluate the operation qualifications, businesses and risks of the finance companies and issue risk assessment reports before placing the funds with the finance companies; and (iii) formulate risk disposal plans with the purpose of safeguarding the safety of the funds. The independent directors of the Company shall issue their opinions on the qualifications of the finance company, the necessity and fairness of the related party transactions and the impact on the Company, as well as the reasonableness of the financial services agreement, the objectivity and fairness of the risk assessment report, and the adequacy and feasibility of the risk disposal plan.

The financial services agreement shall specify the duration of the agreement, the types of transactions, the estimated limits of various transactions, the pricing of the transactions, risk assessment and control measures, etc., and shall be submitted separately to the board of directors or the general meeting for consideration and disclosure. The risk assessment report shall include at least the legal and compliance status of the finance company and its business, whether there is any violation of the Regulations on the Administration of Finance Companies, etc., the key financial information of the recent year audited by an accounting firm in compliance with the Securities Law, and measures for continuous risk assessment, etc. The risk disposal plan shall analyse the potential risks affecting the safety of the Company's capital, propose

APPENDIX I MANAGEMENT SYSTEM FOR RELATED PARTY TRANSACTIONS

solutions and fund preservation plans for the relevant risks and identify the corresponding responsible persons. The risk assessment report and the risk disposal plan shall be submitted to the board of directors for consideration and disclosure as separate resolutions. The determination of interest rates on deposits and loans shall also be disclosed in an announcement and compared with indicators such as benchmark interest rates on deposits and quoted market interest rates on loans, and whether the pricing of the transaction is fair, and whether it is conducive to protecting the interests of the Company and the legitimate rights and interests of minority shareholders shall be stated.

The term of a financial services agreement lasts for a maximum of 3 years. Upon expiry of the financial services agreement or upon any change in the contents of the agreement or the estimated transaction amount, the Company is required to re-sign the financial services agreement and to re-perform deliberation procedures and information disclosure obligations in accordance with the above provisions.

During the terms of related party transactions with finance companies, the Company assigns specialized institutions and personnel to dynamically evaluate and supervise the risk profile of funds deposited with finance companies. In existence of a risk profile as identified in the risk disposal plan, the Company shall disclose the situation in a timely manner and take active measures to protect the interests of the Company. Finance companies and other related parties shall inform the Company in writing in a timely manner and support the Company in fulfilling its information disclosure obligations.

When the Company enters into a financial services agreement with a related party for a period of more than one year, specifying the scale of each type of financial business for each year, and submits the same to the general meeting for consideration in accordance with the regulations, and there are no illegal violations, business defaults, difficulties in ensuring the safety and recoverability of funds or other circumstances that may harm the Company's interests or risks identified in the risk disposal plan during the term of such agreement, the Company shall disclose the estimated business in a timely manner for each year during the term of such agreement:

- (1) the maximum daily deposit limit, deposit interest rate range in such year;
- (2) the loan limit and loan interest rate range in such year;
- (3) the total amount of credit facilities, other financial business lines etc. in such year.

Meanwhile, the Company shall adequately state the finance company's compliance and business risk profile, the safety and recoverability of funds, and the absence of other risk situations. In case the aforementioned risk situation occurs during the term of the agreement and the Company intends to continue to carry out relevant financial services in the following year, the Company and the related party shall enter into a new financial services agreement for the following year, comprehensively disclose the main considerations for continuing to carry out relevant financial services and associated precautionary measures, and comply with the procedures for consideration at the general meeting.

The Company shall disclose the related party transactions with finance companies in its periodic reports on an ongoing basis, obtain and review the financial reports of the finance company on a half-yearly basis, issue a continuous risk assessment report, and disclose the same simultaneously with the interim and annual reports.

The independent directors express their views on the fairness of related party transactions with finance companies, the independence and security of the Company's capital and the risk of misappropriation by related parties, and whether they are detrimental to the interests of the Company, and disclose these views simultaneously with the annual report.

Article 12 Acquire or dispose assets with related parties. Where the Company acquires or disposes assets from or to a related party and meets the disclosure standards stipulated in the Article 9, and the subject of the related party transaction is the equity interest of a company, the Company shall disclose the basic information of the subject company and its key financial indicators for the most recent year and period. If the subject company has undergone asset appraisal, capital increase, capital reduction or restructuring within the last 12 months, the Company shall disclose the basic information of the relevant appraisal, capital increase, capital reduction or restructuring.

Where the Company acquires assets from a related party, and, according to the requirements, such acquisition shall be submitted to the shareholders' general meeting for deliberation and the transaction price represents a premium of more than 100% over the carrying value of the transaction target, if the counterparty fails to provide the profit guarantee, compensation commitment or repurchase commitment of the transaction subject within a certain period of time, the Company should explain the specific reasons, whether to take relevant protection measures, and whether it is conducive to protecting the interests of the Company and the legitimate rights and interests of minority shareholders.

If the Company's acquisition or disposal of assets may result in occupation of non-operating capital of the Company by the controlling shareholder, de facto controller and other related parties of the Company upon the completion of transaction, the Company shall specify a reasonable solution in an announcement and resolve such matter prior to the completion of the relevant transaction.

Article 13 Daily related party transactions. The Company shall enter into an agreement with the related parties for daily related party transactions such as (i) purchase of raw materials, fuel and power, (ii) sale of products and commodities, (iii) provision or acceptance of labour services, (iv) entrusted or commissioned sales, and (v) deposit and loan business in the ordinary course of business. The estimated amount of daily related party transactions for each year are subject to the deliberation procedures and disclosure as stipulated in Article 9.

Annual estimates of daily related party transactions shall be made separately by counterparty and type of transaction. Where the estimated transaction amount with a single legal entity meets the disclosure standards stipulated in Article 9, the information and estimated transaction amount of the related party shall be presented separately, while the above information for other legal entities shall be presented on an aggregated basis by reference to entities under the same control. The Company shall disclose the actual implementation of daily related party transactions in the annual report and interim report and explain whether it complies with the provisions of the agreement. Where there is any material change in such major terms of the agreement or transactions with actual amount exceeding the estimated aggregate amount, the aggregate amount of all related party transactions entered into between the related parties under the same control and the Company shall be compared with the corresponding estimated aggregate amount, it shall re-perform deliberation procedures and disclose such matter in a timely manner in accordance with the

APPENDIX I MANAGEMENT SYSTEM FOR RELATED PARTY TRANSACTIONS

provisions of Article 9 in respect of the excessive amount and new agreements. The amount of related party transactions entered into between related parties not under the same control and the Company is not calculated on a consolidated basis.

Where the Company commissions related parties to sell various products or commodities manufactured or operated by the Company, or commissioned by related parties to sell the same on its behalf, the provisions of Article 9 may be applied in accordance with the commissioning agency fee payable or received during the contract period, except in the case of a buy-out commission.

For daily related party transactions occurred for the first time, the Company shall, according to the total transaction amount involved in the agreement, perform deliberation procedures and disclose such matter in a timely manner in accordance with the provisions of Article 9; if the agreement does not have a specific total transaction amount, it shall be submitted to the shareholders' general meeting for deliberation.

For daily related transaction agreement with the related parties for more than 3 years, the Company shall re-perform relevant review procedures and disclosure obligations every 3 years.

Article 14 Provision of financial funding and guarantee, entrusted wealth management. The Company shall not provide financial assistance to any related persons/parties under Appendix I, except for financial assistance provided to an affiliated joint-stock company not controlled by the controlling shareholders and de facto controllers of the Company whose other shareholders will provide financial assistance on the same conditions in proportion to their capital contributions. Where the Company provides financial assistance to any affiliated joint-stock company as defined under the preceding paragraph and provides guarantee to related persons, in addition to the deliberation and approval by more than half of all non-related directors, it is also subject to deliberation and approval by more than two-thirds of the non-related directors present at the board meeting, and shall be submitted to the general meeting for deliberation. Where the Company provides guarantees to its controlling shareholders, de facto controllers and their related persons, the controlling shareholders, de facto controllers and their related persons shall provide counter-guarantee.

If the guaranteed party becomes a related person of the Company due to a transaction or related transaction, the Company shall perform the corresponding deliberation procedures and information disclosure obligations for the existing related guarantee while executing such transaction or related transaction. If the related guarantee specified in the preceding paragraph fails the approving at the board meeting or the general meeting, the parties to the transaction shall take effective measures to terminate the guarantee, such as early termination.

For entrusted wealth management between the Company and its related person, if it is difficult to perform the deliberation procedures and disclosure obligations for each investment transaction due to the frequency of transactions and time-limitation requirements, the investment scope, investment quota and period shall be reasonably estimated. With the quota not exceeding 12 months as the basis of calculation, the provisions of Article 9 shall apply. The transaction amount at any time during the period (including the relevant amount for reinvestment of the aforementioned investment gains) shall not exceed the investment quota.

Article 15 The following related party transactions of the Company made within 12 consecutive months shall apply to the provisions of Article 9 according to the principle of cumulative calculation:

- (1) transactions with the same related persons;
- (2) transactions with different related persons in relation to subject of the same transaction category.

The aforementioned same related persons include other related persons that are controlled by the same entity or have a relationship of equity control with such related persons.

Where related party transactions of the Company are subject to the principle of cumulative calculation for 12 consecutive months, and the disclosure standards stipulated in the Article 9 or the standards for deliberation at the shareholders' general meeting are met, the related party transactions may simply be disclosed or submitted to the shareholders' general meeting for deliberation, and an announcement shall be published to explain the transactions that failed to meet the disclosure standards or to go through the deliberation procedures of the shareholders' general meeting in the previous period. If the Company has fulfilled relevant obligations of disclosure under the principle of cumulative calculation or the deliberation procedures of the shareholders' general meeting, they shall no longer be included in the corresponding scope of cumulative calculation. Transactions that have been disclosed by the Company but have not gone through the deliberation procedures of the shareholders' general meeting shall still be included in the corresponding scope of cumulative calculation to determine the deliberation procedures that should be performed.

Article 16 When the Company engages in related party transactions with related persons that meets the standards specified in Article 9, it shall submit the proposal to the board for consideration and approval after receiving prior approval of independent directors. Independent directors may engage an independent financial advisor to issue a special report for their consideration before making a judgment.

The audit committee of the Company shall at the same time review the matters concerned in the related party transactions, form written opinions, submit it to the board for consideration. The audit committee may engage independent financial advisers to issue a report that may serve as the basis of its judgment.

Section II Related Party Transaction Decision-Making and Disclosures of the Hong Kong Listing Rules

Article 17 Related party transactions with related parties as defined in the Hong Kong Listing Rules shall be subject to the procedures of reporting, announcement, board approval and independent shareholders' approval respectively in accordance with the requirements of the Stock Exchange, details of which are as follows:

- (1) Related party transactions fully exempted by the Stock Exchange shall be approved in accordance with the Company's internal authorization procedures and reported to the audit committee of the board of directors for record.

- (2) Related party transactions partially exempted by the Stock Exchange shall be subject to the procedures of reporting, annual review, announcement and board approval in accordance with the requirements of the Stock Exchange.
- (3) Related party transactions not exempted by the Stock Exchange shall be subject to the procedures of reporting, annual review, announcement, board approval and independent shareholders' approval in accordance with the requirements of the Stock Exchange.

Article 18 In case of related party transactions with related parties as defined in the Hong Kong Listing Rules, the similar related party transactions relating to the transaction objects of the Company made within twelve consecutive months shall be regarded and treated as a deal according to the principle of cumulative calculation. The Company must comply with the applicable related party transaction requirements based on the classification of the related party transactions when aggregated and make appropriate disclosures. The aggregation period will cover 36 months if the related party transactions are a series of acquisitions of assets being aggregated which may constitute a reverse takeover.

Section III Specific Rules for Decision-Making and Disclosure

Article 19 Transaction information of related party transactions with related parties as defined in Accounting Standards for Business Enterprises and International Financial Reporting Standards shall be disclosed in the financial report in a timely manner.

Article 20 The Company shall appoint intermediary agency which meets the qualifications stipulated in the Securities Law to evaluate or audit the transaction objects for the significant related party transactions between Company and related legal persons to be approved by the general meeting of shareholders. Except the related party transactions related to daily operations for the Company, if the transactions are regulated by the relevant laws, regulations or normative documents, such transactions shall be subject to these regulations.

Article 21 When the Company signs a contract, agreement or other arrangements in respect of related party transactions with the related person/party, it shall take the necessary precautions:

- (1) Any individual shall only sign the agreement on behalf of one party;
- (2) Any related person/party shall not interfere in the decisions of the Company in any way;
- (3) When the board of directors reviews related party transactions, related directors shall abstain from voting, and shall not exercise voting rights on behalf of other directors.

Related directors include the following directors or any of the following directors:

1. The counterparty;
2. Holding a position in the counterparty, or in any legal person or other organization that can directly or indirectly control the counterparty, or any legal person or other organization that can be directly or indirectly controlled by the counterparty;

3. Having direct or indirect control over the counterparty;
 4. Close family members of the counterparty or its direct or indirect controller;
 5. Close family members of the directors and senior management of the counterparty or its direct or indirect controller;
 6. A director determined by the CSRC, the SSE, the Stock Exchange or the Company on basis of the principle of substance over form that its independent business judgment may be affected.
- (4) When one related party transaction matter is reviewed at the general meeting of shareholders, the related shareholders shall withdraw from voting, and shall not exercise voting rights on behalf of other shareholders.

The aforesaid related shareholders include the following shareholders or any of the following shareholders:

1. The counterparty;
2. Having direct or indirect control over the counterparty;
3. Being directly or indirectly controlled by the counterparty;
4. The shareholder and the counterparty directly or indirectly controlled by the same legal person or other organization or natural person;
5. Holding a position in the counterparty, or in the legal person or other organization directly or indirectly controlling the counterparty or the legal person or other organization directly or indirectly controlled by the counterparty;
6. Close family members of the counterparty or its direct or indirect controller;
7. The shareholders whose voting rights are restricted or affected due to any unfinished equity transfer agreement or other agreement signed with the counterparty or its related parties;
8. The shareholders who are likely to enjoy more interests of the Company as determined by the CSRC, the SSE and the Stock Exchange.

Article 22 When the board of directors of the Company reviews related party transactions, a meeting of the Board may be held with the attendance of more than half of the non-related directors and any resolution passed at such meeting shall be subject to approval by more than half of the non-related directors; where fewer than three non-related directors attend the board meeting, the transaction shall be submitted to a general meeting for consideration.

APPENDIX I MANAGEMENT SYSTEM FOR RELATED PARTY TRANSACTIONS

Related party transactions which meet the standards stipulated in Article 9 of these Rules shall be approved by the audit committee of the board of directors and written opinions shall be issued.

Article 23 In considering the related party transactions, the board of directors shall at least examine the following documents:

- (1) Background of the related party transaction;
- (2) Main qualification certificate of the related persons/parties (business license of a legal person or certificate of identity of a natural person);
- (3) Agreements, contracts or any other written arrangements relevant to the related party transactions;
- (4) Documents and materials taken as references for pricing of related party transactions;
- (5) Impact of the related party transactions on the legal interests of Company and non-related shareholders;
- (6) Opinion of the audit committee of the board of directors and opinions of the independent directors;
- (7) Reports of intermediate institutions, if any;
- (8) Other materials as required by the board of directors.

Article 24 The audit committee shall give its opinions expressly on whether the related party transactions subject to the approval by the board of directors or general meeting are fair and reasonable and whether the transactions may harm the legitimate rights and interests of the Company and the non-related shareholders.

Article 25 Related shareholders shall not take part in voting when related party transactions are being considered at the general meeting of shareholders. The number of shares with voting rights represented by them shall not be included in the total number of shares with voting rights; the announcement on the resolutions made at the general meeting of shareholders shall fully disclose details of voting by the non-related shareholders.

If related shareholders have expressed their intention to abstain from voting, the related party transactions shall be considered and voted by other shareholders attending the general meeting. The resolution so passed shall have the same legal effect of other resolutions passed at the general meetings.

Article 26 When the general meeting makes resolutions on the related party transactions, other than the documents stated in Article 23, it still needs reviewing the following documents:

- (1) Opinions issued by the independent directors in respect of the transactions;

- (2) Resolutions made by the audit committee of the Company in respect of the transactions.

**Chapter IV Exemption and Disclosure of Decision-Making Procedures
of Related Party Transactions**

Article 27 The relevant obligations hereunder may be waived for the following related party transactions entered into between the Company and the related parties as defined under the Shanghai Listing Rules:

- (1) One party subscribes in cash for stocks, convertible corporate bonds or other derivatives, or publicly issued corporate bonds (including enterprise bonds) issued by the other party to non-specified targets;
- (2) One party, as a member of the underwriting syndicate, underwrites the stocks, convertible corporate bonds or other derivatives, or publicly issued corporate bonds (including enterprise bonds) issued by the other party to non-specified targets;
- (3) One party receives dividends, bonuses or remuneration pursuant to the resolution of the other party's general meeting of shareholders;
- (4) Transactions in which the Company unilaterally harvests benefits without paying any consideration or any obligations, including donated cash assets, obtaining debt relief, accepting guarantees and financial assistance without consideration, etc.;
- (5) One party is involved in the other party's public bidding, auction, etc., except where the bidding or auction is unlikely to achieve a fair price;
- (6) The pricing of related party transactions is stipulated by the State;
- (7) Provision of funds by a related party to the Company at an interest rate not exceeding the interest rate quoted in the loan market, without needing the Company to provide any guarantee;
- (8) Where the Company provides products and services to related natural persons specified in items (II) to (IV) of paragraph 3 of Rule 6.3.3 of the Shanghai Listing Rules on the same trading terms as non-related parties;
- (9) Other transactions as determined by the SSE.

Article 28 The Company shall, according to the type of the related party transaction and pursuant to the relevant requirements of the SSE, disclose the relevant information of the related party transaction, including the counterparty to the transaction, the transaction objects, the description of related party relationship between the parties to the transaction, the basic information of the related party, the salient terms of the transaction agreement, the pricing and basis of the transaction, the approval documents of relevant authorities (if any), and the opinions of intermediaries (if applicable).

Article 29 In respect of related party transactions or continuing related party transactions between the Company and related parties as defined in the Hong Kong Listing Rules, unless such related party transactions are exempted under Rules 14A.73 to 14A.101 of the Hong Kong Listing Rules, the Company shall comply with the requirements under Rules 14A.32 to 14A.66 of the Hong Kong Listing Rules and performs announcement, independent shareholders' approval and other procedures. The announcements, notices and annual reports in which the Company discloses related party transactions on the Hong Kong Stock Exchange shall at least include the information required by Rules 14A.68 to 14A.72 of the Hong Kong Listing Rules.

Chapter V Internal Control of Related Party Transactions

Article 30 Shareholders who hold 5% or more of the shares of the Company, directors and senior management members of the Company shall promptly inform the secretary to the board of directors of any change in the relevant related natural persons or related legal persons. The secretary to the board of directors shall update the list of related parties in a timely manner to ensure that the list is true, accurate and complete.

In the event that the Company and its subordinate controlled subsidiaries conduct transactions, the relevant responsible persons shall carefully check the list of related parties and make a prudent decision on whether such transaction constitutes a related party transaction. If such transaction constitutes a related party transaction, they shall fulfill the examination, approval and reporting obligations within their respective limits of authority.

Article 31 The board of directors of the Company shall perform the following duties when considering related party transactions:

- (1) Have a detailed understanding of the true status of the transaction objects, including the operation status and profitability of the transaction objects, whether there are rights defects such as mortgage and freezing, and legal disputes such as litigation and arbitration;
- (2) Have a detailed understanding of the credit record, credit standing and performance capability of the counterparty, and prudently choose the counterparty;
- (3) Determine the transaction price on an adequate pricing basis;
- (4) Engage an intermediary agency to audit or evaluate the transaction objects according to the relevant requirements or when the Company deems it necessary.

Article 32 The directors and senior management personnel of the Company have the obligation of focusing on the issue of misappropriation of the Company's interest as a result of the appropriation of the Company's capital by related parties. The independent directors of the Company shall review the transfer of capital between the Company and the related parties at least once every quarter and have understanding on whether the Company's capital, assets and other resources are appropriated or transferred by the controlling shareholders and its related parties. Anything abnormal found shall be reported to the board of directors of the Company to take relevant measures.

Article 33 If losses are caused or may be caused to the Company due to the failure of the controlling shareholders, de facto controllers and other related parties to repay in a timely manner the debts formed by guarantees provided by the Company to them, or the appropriation or transfer of the Company's capital, assets or other resources, the board of directors of the Company shall promptly take protective measures such as pursuing repayment, litigation, asset preservation and demanding the provision of guarantees to avoid or reduce the losses, and shall pursue the liability of the relevant persons.

Chapter VI Supplementary Provisions

Article 34 Documents in relation to the decision-making records of related party transactions and resolutions shall be kept by the secretary of the board of directors for a term of ten years.

Article 35 Matters not covered in these Rules shall be implemented in accordance with the relevant provisions of the relevant national laws, regulations, the Shanghai Listing Rules, the Hong Kong Listing Rules, the Articles of Association and other normative documents. In case of any inconsistency between these Rules and the relevant provisions of the relevant laws, regulations, the Shanghai Listing Rules, the Hong Kong Listing Rules or the Articles of Association, the provisions of the relevant laws, regulations, the Shanghai Listing Rules, the Hong Kong Listing Rules or the Articles of Association shall prevail.

Article 36 It shall be the responsibility of the board of directors of the Company to interpret these Rules.

Article 37 These Rules will take effect from the date upon consideration and approval by the general meeting of shareholders of the Company, and the original Rules for the Management of Related Party Transactions (revised in October 2022) of the Company shall automatically become invalid.

ANNEX 1:

**RELATED PARTIES AS DEFINED
BY RELEVANT REGULATORY REQUIREMENTS**

1. Related Parties as Defined in the Shanghai Listing Rules and the Administrative Procedures on the Information Disclosures of Listed Companies of the CSRC

A. Related Parties as Defined in the Shanghai Listing Rules

6.3.3 Related parties of the listed company include related legal persons (or other bodies) and related natural persons.

Any legal person (or other body) being the subject of any of the following circumstances shall be deemed as a related legal person (or other body) of the listed company:

- (i) legal persons (or other bodies) who have direct or indirect control over the listed company;
- (ii) legal persons (or other bodies) other than the listed company, its controlling subsidiaries and other controlled entities, who are directly or indirectly controlled by the legal persons (or other bodies) referred in the preceding paragraph;
- (iii) legal persons (or other bodies) other than the listed company, its controlling subsidiaries and other controlled entities, who are directly or indirectly controlled by, or serve as directors (excluding independent directors who concurrently serve for both parties) or senior management members of, the related natural persons;
- (iv) legal persons (or other bodies) who hold more than 5% of the shares of the listed company and persons acting in concert with them.

Any natural person being the subject of any of the following circumstances shall be deemed as a related natural person of the listed company:

- (i) natural persons who directly or indirectly hold more than 5% of the shares of the listed company;
- (ii) directors and senior management members of the listed company;
- (iii) directors, supervisors and senior management members of legal persons (or other bodies) who have direct or indirect control over the listed company;
- (iv) close family members of the persons referred in paragraphs (i) and (ii) of this article.

Within the last 12 months or within 12 months after the relevant agreement or arrangement has come into effect, a legal person (or other body) or natural person falling in one of the circumstances described in the second or third paragraph of this article is a related party of the listed company.

The CSRC, SSE or the listed company may, based on the principle of substance over form, consider other legal persons (or other bodies) or natural persons who have a special relationship with the listed company, which may cause or have caused the interests of the listed company to favor them as related parties of the listed company.

6.3.4 There shall be no related party relationship between the listed company and legal persons (or other bodies) listed in item (ii) of paragraph 2 of Article 6.3.3 of these Rules if it constitutes the circumstances of that subparagraph due to the fact that they are controlled by the same state-owned asset management institution, except where the legal representatives, chairmen, general managers or one half or more of the directors of such legal persons concurrently serve as director or senior management members of the listed company.

B. Related Parties as Defined in the Administrative Procedures on the Information Disclosures of Listed Companies of the CSRC

Article 63(2)

Related parties include related legal persons (or other bodies) and related natural persons.

Any legal person (or other body) being the subject of any of the following circumstances shall be deemed as a related legal person (or other body) of the listed company:

1. legal persons (or other bodies) who have direct or indirect control over the listed company;
2. legal persons (or other bodies) other than the listed company and its controlling subsidiaries, who are directly or indirectly controlled by the legal persons (or other bodies) referred in the preceding subparagraph;
3. legal persons (or other bodies) other than the listed company and its controlling subsidiaries, who are directly or indirectly controlled by, or serve as directors or senior management members of, the related natural persons;
4. legal persons (or other bodies) who hold more than 5% of the shares of the listed company and its persons acting in concert;
5. legal persons falling in one of the above circumstances within the last twelve months or within future twelve months under the relevant agreement or arrangement;

6. other legal persons (or other bodies) considered by the CSRC, the stock exchange or the listed company, based on the principle of substance over form, to have a special relationship with the listed company, which may cause or have caused the interests of the listed company to favor them.

Any natural person being the subject of any of the following circumstances shall be deemed as a related natural person of the listed company:

1. natural persons who directly or indirectly hold more than 5% of the shares of the listed company;
2. directors and senior management members of the listed company;
3. directors, supervisors and senior management members of legal persons who directly or indirectly control the listed company;
4. close family members of the persons referred in subparagraphs 1 and 2 above, including spouses, parents, children who have reached the age of eighteen and their spouses, the sibling and their spouses, parents and the sibling of spouses, and parents of spouses of children;
5. natural persons falling in one of the above circumstances within the last twelve months or within future twelve months under the relevant agreement arrangement;
6. other natural persons considered by the CSRC, the stock exchange or the listed company, based on the principle of substance over form, to have a special relationship with the listed company, which may cause or have caused the interests of the listed company to favor them.

II. Related Parties as Defined in the Hong Kong Listing Rules¹

Definition of “connected person”

14A.07 A “connected person” is:

- (1) a director, chief executive or substantial shareholder of the listed issuer or any of its subsidiaries;
- (2) a person who was a director of the listed issuer or any of its subsidiaries in the last 12 months;
- (3) a supervisor of a PRC issuer or any of its subsidiaries;

¹ The Chinese version of the Hong Kong Listing Rules uses the term “connected”, which is different from the term “related” used in the PRC. For ease of reading, the word “related” is used throughout the text of the Rules for Related Party Transactions of SHANDONG GOLD MINING CO., LTD. Where direct quotations from the Hong Kong Listing Rules are used here, they are reproduced without adjustment.

- (4) an associate of any of the above persons;
- (5) a connected subsidiary; or
- (6) a person deemed to be connected by the Exchange.

Definition of “associate”

14A.12 An “associate” of a connected person described in Listing Rule 14A.07(1), (2) or (3) who is an individual includes:

- (1)
 - (a) his spouse; his (or his spouse’s) child or step-child, natural or adopted, under the age of 18 years (each an “**immediate family member**”);
 - (b) the trustees, acting in their capacity as trustees of any trust of which the individual or his immediate family member is a beneficiary or, in the case of a discretionary trust, is (to his knowledge) a discretionary object (other than a trust which is an employees’ share scheme or occupational pension scheme established for a wide scope of participants and the connected persons’ aggregate interests in the scheme are less than 30%) (the “**trustees**”); or
 - (c) a 30%-controlled company held, directly or indirectly, by the individual, his immediate family members and/or the trustees (individually or together), or any of its subsidiaries; or
- (2)
 - (a) a person cohabiting with him as a spouse, or his child, step-child, parent, step-parent, brother, step-brother, sister or step-sister (each a “**family member**”); or
 - (b) a majority-controlled company held, directly or indirectly, by the family members (individually or together), or held by the family members together with the individual, his immediate family members and/or the trustees, or any of its subsidiaries.

14A.13 An “associate” of a connected person described in Listing Rule 14A.07(1), (2) or (3) which is a company includes:

- (1) its subsidiary or holding company, or a fellow subsidiary of the holding company;
- (2) the trustees, acting in their capacity as trustees of any trust of which the company is a beneficiary or, in the case of a discretionary trust, is (to its knowledge) a discretionary object (the “**trustees**”); or
- (3) a 30%-controlled company held, directly or indirectly, by the company, the companies referred to in paragraph (1) above, and/or the trustees (individually or together), or any of its subsidiaries.

14A.15 For PRC issuers only, a person's associates include any joint venture partner of a cooperative or contractual joint venture (whether or not it is a separate legal entity) where:

- (1) the person (being an individual), his immediate family members and/or the trustees; or
- (2) the person (being a company), any company which is its subsidiary or holding company or a fellow subsidiary of the holding company, and/or the trustees,

together directly or indirectly hold 30% (or an amount that would trigger a mandatory general offer or establish legal or management control over a business enterprise under the PRC law) or more in the joint venture's capital or assets contributions, or the contractual share of its profits or other income.

Definition of "connected subsidiary"

14A.16 A "connected subsidiary" is:

- (1) a non wholly-owned subsidiary of the listed issuer where any connected person(s) at the issuer level, individually or together, can exercise or control the exercise of 10% or more of the voting power at the subsidiary's general meeting. This 10% excludes any indirect interest in the subsidiary which is held by the connected person(s) through the listed issuer; or
- (2) any subsidiary of a non wholly-owned subsidiary referred to in paragraph (1) above.

Definition of "deemed connected person"

14A.19 The Exchange has the power to deem any person to be a connected person.

14A.20 A "deemed connected person" includes a person:

- (1) who has entered, or proposes to enter, into:
 - (a) a transaction with the listed issuer's group; and
 - (b) an agreement, arrangement, understanding or undertaking (whether formal or informal and whether express or implied) with a connected person described in Listing Rule 14A.07(1), (2) or (3) with respect to the transaction; and
- (2) who, in the Exchange's opinion, should be considered as a connected person.

14A.21 A "deemed connected person" also includes a person:

- (1) who is:
 - (a) a father in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grandparent, grandchild, uncle, aunt, cousin, nephew or niece (each a "relative") of a connected person described in Listing Rule 14A.07(1), (2) or (3); or

- (b) a majority-controlled company held, directly or indirectly, by the relatives (individually or together) or held by the relatives together with the connected person as described in Listing Rule 14A.07(1), (2) or (3), the trustees, his immediate family members and/or family members, or any subsidiary of that majority-controlled company; and
- (2) whose association with the connected person is such that, in the Exchange's opinion, the proposed transaction should be subject to the connected transaction requirements.

Other Notes

14A.09 Listing Rules 14A.07(1) to (3) do not include a director, chief executive, substantial shareholder or supervisor of the listed issuer's insignificant subsidiary or subsidiaries. For this purpose:

- (1) an "insignificant subsidiary" is a subsidiary whose total assets, profits and revenue compared to that of the listed issuer's group are less than:
 - (a) 10% under the percentage ratios for each of the latest three financial years (or if less, the period since the incorporation or establishment of the subsidiary); or
 - (b) 5% under the percentage ratios for the latest financial year;
- (2) if the person is connected with two or more subsidiaries of the listed issuer, the Stock Exchange will aggregate the subsidiaries' total assets, profits and revenue to determine whether they are together "insignificant subsidiaries" of the listed issuer; and
- (3) when calculating the percentage ratios, 100% of the subsidiary's total assets, profits and revenue will be used. If a percentage ratio produces an anomalous result, the Stock Exchange may disregard the calculation and consider alternative test(s) provided by the listed issuer.

In addition, the Stock Exchange will not normally treat a PRC Governmental Body as a connected person.

Other Definitions

"Chapter 14A" means Chapter 14A of the Listing Rules;

"Group" means the Company and its subsidiaries;

"financial assistance" includes granting credit, lending money, or providing an indemnity against obligations under a loan, or guaranteeing or providing security for a loan;

a "listed issuer" means a company or other legal person whose securities (including depository receipts) are listed;

a "listed issuer's group" means a listed issuer and its subsidiaries, or any of them;

APPENDIX I MANAGEMENT SYSTEM FOR RELATED PARTY TRANSACTIONS

“Listing Rules” means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

“normal commercial terms or better” are terms which a party could obtain if the transaction were on an arm’s length basis or terms no less favourable to the listed issuer’s group than terms available to or from independent third parties;

an “option” means the right, but not the obligation, to make a purchase or sale of an asset;

“ordinary and usual course of business” of an entity means the entity’s existing principal activities or an activity wholly necessary for its principal activities;

“percentage ratios” means the asset ratio, profits ratio, revenue ratio, consideration ratio and equity capital ratio referred to in Rule 14.07 of the Listing Rules;

“PRC” means the People’s Republic of China;

“PRC Governmental Body” includes (a) PRC Central Government, including the State Council of the PRC (中國國務院), State Ministries and Commissions (國家部委), Bureaus and Administrations directly under the State Council (國務院直屬機構), State Council Offices and Institutions (國務院辦事機構及直屬國務院事業單位), Bureaus supervised by State Ministries and Commissions (國家部委代管局); (b) PRC Provincial-level Governments, including Provincial Governments (省政府), Municipalities directly under the Central Government (直轄市) and Autonomous Regions (自治區), together with their respective administrative arms, agencies and institutions; (c) PRC local governments immediately under the PRC Provincial-level Governments, including prefectures (區), municipalities (市) and counties (縣), together with their respective administrative arms, agencies and institutions. Entities under the PRC Government that are engaging in commercial business or operating another commercial entity will be excluded from this definition;

“Stock Exchange” means The Stock Exchange of Hong Kong Limited; and

“substantial shareholder”, in relation to a company means a person (including a holder of depository receipts) who is entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the company.

III. Related Parties as Defined in the Accounting Standard for Business Enterprises 36 – Related Party Disclosures

Article 3 If a party has the power to control, jointly control or exercise significant influence over another party, or where two or more parties are subject to common control, joint control or significant influence from another party, they are considered to be related parties.

Control is the right to determine an enterprise’s financial and operating policies, and based on which to obtain benefits from business operations of such enterprise.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when significant financial and operational decisions about the relevant activities require unanimous consent of the parties sharing control.

Significant influence is the power to participate in the financial and operating policy decisions of an enterprise, except to control or jointly control the formulation of such policies together with other parties.

Article 4 A party is considered to be a related party of an enterprise if the party is:

- (i) a parent of the enterprise.
- (ii) a subsidiary of the enterprise.
- (iii) other enterprise which is under control of the same parent.
- (iv) an investor which jointly controls the enterprise.
- (v) an investor which exercises significant influence over the enterprise.
- (vi) a joint venture of the enterprise.
- (vii) an associated company of the enterprise.
- (viii) a key individual investor of the enterprise and the close members of the family of the individual. The reference of a key individual investor means an individual who has the ability to control or jointly control or exercise significant influence over an enterprise.
- (ix) a member of the key management personnel of the enterprise or of a parent of the enterprise and the close members of the family of the person. The reference of key management personnel means those persons having authority and responsibility in planning, directing and controlling the activities of the enterprise. Close members of the family of a key individual investor or a member of the key management personnel are those family members who may be expected to influence, or be influenced by, that person in their dealings with the enterprise.
- (x) such other enterprise which is controlled, jointly controlled or significantly influenced by a key individual investor or a member of the key management personnel of the enterprise or their close family members.

Article 5 A party is not considered to be a related party of an enterprise if only the following relationship exists between them:

- (i) providers of finance, utilities and departments and agencies of a government, simply by virtue of their normal dealings with the enterprise.
- (ii) a customer, supplier, franchisor, distributor or agent with whom the enterprise transacts a significant volume of business, simply by virtue of the resulting economic dependence.

APPENDIX I MANAGEMENT SYSTEM FOR RELATED PARTY TRANSACTIONS

(iii) a venturer which shares joint control over a jointly-controlled entity with the enterprise.

Article 6 Enterprises which are under common control only from the State and have no other related party relationships are not regarded as related parties.

ANNEX 2:**RELATED PARTY TRANSACTIONS AS DEFINED
BY RELEVANT REGULATORY REQUIREMENTS****I. Related Party Transactions as Defined in the Shanghai Listing Rules**

6.3.2 A related party transaction of a listed company refers to the transfer of resources or obligations between the listed company, its subsidiary and other entities under their control and a related party of the listed company, including the following:

- (1) transactions enumerated in Section 6.1.1 of these Rules;
- (2) purchasing raw materials, fuels and power;
- (3) selling products and commodities;
- (4) providing or accepting labor services;
- (5) selling by consignment or selling on commission;
- (6) business of making deposits or taking loans;
- (7) co-investing with a related party;
- (8) other matters agreed upon that would lead to transfer of resources or obligations.

6.1.1 For the purpose of this section, “material transactions” include the following events that occur in addition to the ordinary business activities of a listed company:

- (1) acquiring or disposing of assets;
- (2) external investment (including entrusted investment and investments in subsidiaries, etc.);
- (3) providing financial assistance (interest-bearing or interest-free borrowings, entrusted loans, etc.);
- (4) granting guarantee (including guarantees for its subsidiaries, etc.);
- (5) leasing in or out assets;
- (6) appointing others or being appointed for management of assets or business;
- (7) donating assets or accepting asset donation;
- (8) restructuring debts or creditor’s rights;

- (9) entering into a licensing agreement;
- (10) transferring or acquiring R & D projects;
- (11) waiver of rights (including waiver of pre-emption rights, preferential subscription rights, etc.);
- (12) other transactions as recognized by the Exchange.

II. Related Party Transactions as Defined in the Regulations on Information Disclosure of Listed Companies Issued by the CSRC

Article 63 Related party transactions of a listed company refer to transfer of resources or obligations between the listed company or its subsidiaries and the listed company's related parties.

III. Connected Transactions as Defined in the Hong Kong Listing Rules

Connected transactions are generally (a) transactions between listed issuers' group (i.e. listed issuers and their subsidiaries) and connected persons, and (b) specified categories of transactions between a listed issuer's group and third parties that may confer benefits on connected persons through their interests in the entities involved in the transactions.

Connected transactions may be one-off transactions or continuing transactions. Continuing connected transactions are usually transactions carried out in the ordinary and usual course of business and are carried out on a continuing basis and are expected to extend over a period of time.

"Transactions" include both capital and revenue nature transactions, whether or not conducted in the ordinary and usual course of business of the listed issuer's group. This includes the following types of transactions:

- (1) any acquisition or disposal of assets by a listed issuer's group including a deemed disposal;
 - (a) a listed issuer's group granting, accepting, exercising, transferring or terminating an option to acquire or dispose of assets or to subscribe for securities (terminating an option is not a transaction if it is made under the terms of the original agreement and the listed issuer's group has no discretion over the termination.); or
 - (b) a listed issuer's group deciding not to exercise an option to acquire or dispose of assets or to subscribe for securities;
- (2) entering into or terminating finance leases or operating leases or sub-leases;
- (3) granting an indemnity or providing or receiving financial assistance. "Financial assistance" includes granting credit, lending money, or providing an indemnity against obligations under a loan, or guaranteeing or providing security for a loan;

- (4) entering into an agreement or arrangement to set up a joint venture in any form (e.g. a partnership or a company), or any other form of joint arrangement;
- (5) issuing new securities of the listed issuer or its subsidiaries;
- (6) providing, receiving or sharing services; or
- (7) acquiring or providing raw materials, intermediate products and/or finished goods.

IV. Related Party Transactions as defined in Accounting Standard for Business Enterprises 36 – Related Party Disclosures

Article 7 A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

Article 8 Related party transactions generally include the following:

- (1) purchases or sales of goods.
- (2) purchases or sales of other assets other than goods.
- (3) rendering or receiving of services.
- (4) provision of guarantees.
- (5) the provision of funds (including loans or equity investment).
- (6) leases.
- (7) agency.
- (8) transfers of research and development.
- (9) licence agreements.
- (10) settlement of liabilities on behalf of the entity or by the entity on behalf of that related party.
- (11) payment of remuneration of key management personnel.

SHANDONG GOLD MINING CO., LTD.
DECISION-MAKING SYSTEM FOR EXTERNAL GUARANTEES

Chapter I General Provisions

Article 1 In order to protect the legitimate rights and interests of investors, regulate the external guarantee behaviors of Shandong Gold Mining Co., Ltd. (the “Company”), and effectively control the Company’s external guarantee risks, this system is hereby formulated in accordance with the provisions of the Company Law of the People’s Republic of China (the “Company Law”), the Civil Code of the People’s Republic of China (the “Civil Code”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Guidelines for the Supervision of Listed Companies No. 8 – Supervision Requirements for Fund Transactions and External Guarantees of Listed Companies, the Guidelines No. 1 on Self-Regulatory and Supervision for Listed Companies on the Shanghai Stock Exchange – Standardized Operation, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (the “Shanghai Listing Rules”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”, together with the “Shanghai Listing Rules”, the “Listing Rules”), and other laws, regulations, regulatory documents, as well as the relevant provisions of the Articles of Association of Shandong Gold Mining Co., Ltd. (the “Articles of Association”). With respect to any external guarantee behavior of the Company, the Company must simultaneously comply with the provisions of the Listing Rules.

Article 2 The external guarantee referred to in this System means the act by which the Company, acting as a third party, provides a guarantee to a creditor for the debt owed by a debtor, and undertakes to perform the debt or assume liability in accordance with the agreement if the debtor fails to perform the debt.

The external guarantee referred to in this System includes guarantees provided by the Company to its wholly-owned subsidiaries and holding subsidiaries (collectively, the “Subsidiaries”). Forms of guarantee include suretyship, mortgage, pledge and other forms of external guarantee. The total amount of external guarantees of the Company and its Subsidiaries means the sum of the total amount of external guarantees of the Company (including guarantees provided by the Company to its Subsidiaries) and the total amount of external guarantees provided by the Company’s Subsidiaries.

Article 3 The Company’s external guarantees shall follow the principles of unified management, strict control, decision-making in accordance with the law, and compliant disclosure. In establishing and implementing internal controls for guarantees, the Company shall strengthen risk control at key stages and adopt corresponding control measures to achieve the following objectives:

- (1) ensuring standardized guarantee operations, and preventing and controlling contingent liability risks;
- (2) ensuring the authenticity, completeness and accuracy of guarantee transactions to meet the requirements of information disclosure;
- (3) complying with relevant national guarantee regulations and the requirements of regulatory authorities;

- (4) ensuring that the principal debt contracts and guarantee contracts comply with the provisions of national laws and regulations such as the Civil Code and the Articles of Association.

Article 4 This System applies to the Company and its Subsidiaries. Where a Subsidiary of the Company provides an external guarantee (including guarantees provided by a Subsidiary to the Company or to any other wholly-owned or holding subsidiary of the Company), this System shall be followed.

Article 5 The Company shall not, directly or indirectly, provide loans or loan guarantees to the directors, supervisors, general manager or other senior management personnel of the Company or its parent company; nor shall it provide loans or loan guarantees to the related persons of the aforementioned personnel.

The provisions of the preceding paragraph shall not apply to the following circumstances:

- (1) the Company provides loans to its subsidiaries or provides loan guarantees for its subsidiaries;
- (2) the Company provides loans, loan guarantees or other payments to the directors, general manager and other senior management personnel of the Company pursuant to an employment contract approved by the shareholders' general meeting, for the purpose of enabling them to pay expenses incurred for the Company's purposes or for the performance of their duties to the Company;
- (3) if the normal business scope of the Company includes providing loans or loan guarantees, the Company may provide loans or loan guarantees to the relevant directors, general manager, other senior management personnel and their related persons, provided that the terms and conditions for providing such loans or loan guarantees shall be normal commercial terms and conditions.

Article 6 If the Company provides a loan in violation of the provisions of the preceding article, regardless of the terms and conditions of such loan, the person receiving the payment shall immediately repay the loan.

Article 7 A loan guarantee provided by the Company in violation of the provisions of the first paragraph of Article 5 of this System shall not be enforceable against the Company, except under the following circumstances:

- (1) where the lender was not aware, at the time of providing the loan to a related person of the directors, supervisors, general manager or other senior management personnel of the Company or its parent company, of such relationship;
- (2) where the guaranteed property provided by the Company has been lawfully sold by the lender to a bona fide purchaser.

Article 8 The term "guarantee" as used in the preceding provisions of this System includes any act by which a surety assumes liability or provides property to ensure the performance of obligations by an obligor.

Article 9 Before a holding subsidiary submits an external guarantee matter to its board of directors or shareholders' general meeting for consideration, it shall submit a written report to the Company five (5) working days in advance, and shall notify the Office of the Board of Directors in writing on the date when its board of directors or shareholders' general meeting makes a resolution thereon.

Article 10 The Company shall follow the principles of equality, voluntariness, legality, prudence, mutual benefit and safety when providing external guarantees, and shall strictly control guarantee risks.

Article 11 Where the Company provides a guarantee to its controlling shareholders, de facto controllers or their related parties, it must require the guaranteed party to provide counter-guarantees. The provider of the counter-guarantee shall have the actual capacity to perform, and the counter-guarantee shall be enforceable.

If, as a result of a transaction or related transaction, the guaranteed party becomes a related party of the Company, the Company shall, at the same time as implementing such transaction or related transaction, go through the relevant review procedures and perform the information disclosure obligations with respect to the existing connected guarantee.

If the Board of Directors or shareholders' general meeting fails to approve the connected guarantee matter set out in the preceding paragraph, the parties to the transaction shall take effective measures such as terminating the guarantee in advance.

Chapter II Review of External Guarantee Objects

Article 12 The Company may provide guarantees to entities that have independent legal personality and meet one of the following conditions:

- (1) entities with which the Company has a mutual guarantee relationship due to business needs;
- (2) entities that have an important business relationship with the Company;
- (3) entities that have a potential important business relationship with the Company;
- (4) the Company's Subsidiaries and other entities over which the Company has control.

The entities referred to above must also have relatively strong debt repayment ability and comply with the relevant provisions of this System.

Article 13 Before deciding to provide a guarantee to another party or submitting the matter to the shareholders' general meeting for voting, the Board of Directors of the Company shall obtain information on the creditworthiness of the debtor and conduct a full analysis of the interests and risks of the proposed guarantee.

Article 14 The creditworthiness information of the guarantee applicant shall include at least the following:

- (1) basic corporate information, including copies of its business license and articles of association, proof of identity of its legal representative, and relevant information reflecting its related party relationships and other relationships with the Company;
- (2) a guarantee application, including but not limited to the method of guarantee, term, amount and other relevant details;
- (3) audited financial reports for the last three years and an analysis of repayment capacity;
- (4) a copy of the principal contract relating to the borrowing;
- (5) the conditions for the guarantee applicant to provide a counter-guarantee and relevant supporting information;
- (6) a statement as to whether there are any potential or ongoing material litigation, arbitration or administrative penalties;
- (7) other material information.

Article 15 Based on the basic information provided by the guarantee applicant, the Company shall organize an investigation and verification of the guarantee applicant's operations, financial condition, project status, credit status and industry prospects, review such information in accordance with the contract approval procedures, and submit the relevant information to the Board of Directors or the shareholders' general meeting of the Company for approval.

Article 16 The Board of Directors or the shareholders' general meeting of the Company shall review and vote on the submitted materials, and record the voting results. The Company shall not provide a guarantee under any of the following circumstances, or where the information provided is insufficient.

- (1) the use of funds does not comply with national laws, regulations or national industrial policies;
- (2) there are false statements in its financial and accounting documents or it has provided false information within the last 3 years;
- (3) the Company has previously provided a guarantee for it, and it has experienced bank loan overdue defaults, interest arrears or similar events, and as of the time of the current guarantee application, such amounts have not yet been repaid or effective measures to address them have not been implemented;
- (4) its operating condition has deteriorated, its credit standing is poor, and there are no signs of improvement;
- (5) it has failed to implement effective property for a counter-guarantee;

- (6) other circumstances under which the Board of Directors determines that a guarantee should not be provided.

Article 17 The counter-guarantee or other effective risk prevention measures provided by the guarantee applicant shall correspond to the amount of the guarantee. If the property designated by the guarantee applicant for the counter-guarantee consists of property which is prohibited by laws or regulations from being circulated or transferred, the Company shall refuse to provide the guarantee.

Chapter III Approval Procedures for External Guarantees

Article 18 The shareholders' general meeting of the Company shall be the highest decision-making body for the Company's external guarantees.

Article 19 The Board of Directors shall exercise the decision-making power with respect to external guarantees within the scope of authority for external guarantees of the Board of Directors as set forth in the Articles of Association. Where the guarantee exceeds the scope of authority of the Board of Directors under the Articles of Association, the Board of Directors shall propose a plan and submit it to the shareholders' general meeting for approval. The Board of Directors shall organize, manage and implement external guarantee matters approved by the shareholders' general meeting.

Article 20 When the Company enters into an external guarantee transaction, in addition to being approved by the affirmative vote of more than half of all directors, such transaction shall also be approved by the affirmative vote of more than two-thirds (2/3) of the directors present at the board meeting.

Where the Company provides a guarantee to its controlling shareholders, de facto controllers or their related parties, in addition to being approved by the affirmative vote of more than half of all non-related directors, such guarantee shall also be approved by the affirmative vote of more than 2/3 of the non-related directors present at the board meeting, and shall be submitted to the shareholders' general meeting for consideration.

Article 21 External guarantees that require approval by the shareholders' general meeting must first be considered and approved by the Board of Directors before being submitted to the shareholders' general meeting for approval. External guarantees requiring approval by the shareholders' general meeting include, but are not limited to, the following circumstances:

- (1) any guarantee provided after the total amount of external guarantees of the Company and its Subsidiaries exceeds 50% of the Company's latest audited net assets;
- (2) any guarantee provided after the total amount of external guarantees of the Company and its Subsidiaries exceeds 30% of the Company's latest audited total assets;
- (3) any guarantee provided to a guarantee object whose asset-liability ratio exceeds 70%;
- (4) any single guarantee amount exceeding 10% of the Company's latest audited net assets;

- (5) any guarantee which, calculated on the basis of the cumulative amount of guarantees within a consecutive period of 12 months, exceeds 30% of the Company's latest audited total assets;
- (6) any guarantee provided to shareholders, de facto controllers or their related parties;
- (7) other guarantees required by the CSRC, the Shanghai Stock Exchange, the Listing Rules or the Articles of Association to be approved by the shareholders' general meeting.

When the shareholders' general meeting considers a guarantee under item (5) of the preceding paragraph, such guarantee shall be approved by the affirmative vote of more than 2/3 of the voting rights held by shareholders present at the meeting.

Article 22 When the shareholders' general meeting considers a guarantee proposal for a shareholder, de facto controller or their related parties, such shareholder or the shareholder controlled by such de facto controller shall not participate in the voting on such proposal. The proposal shall be approved by the affirmative vote of more than half of the voting rights held by the other shareholders present at the meeting.

Article 23 The Company may, when necessary, engage external professional institutions to assess the risks of implementing an external guarantee, which shall serve as a basis for decision-making by the Board of Directors or the shareholders' general meeting.

Article 24 Independent directors of the Company shall express independent opinions when the Board of Directors considers external guarantee matters, and may, when necessary, engage an accounting firm to verify the Company's aggregate and current external guarantees. If any irregularities are discovered, they shall promptly request the Board of Directors to take appropriate measures, and may, when necessary, report to the regulatory authorities.

Article 25 Where a Subsidiary of the Company provides a guarantee to a legal person or other organization within the scope of the Company's consolidated financial statements, the Company shall make timely disclosure after the Subsidiary has completed its review procedures, except for guarantee matters that are required to be submitted to the Company's shareholders' general meeting for consideration under the Shanghai Listing Rules.

Where a Subsidiary of the Company provides a guarantee to any other party other than the entities referred to in the preceding paragraph, such guarantee shall be deemed as a guarantee provided by the Company itself and shall comply with the relevant provisions of this Chapter.

Article 26 Where the Company provides guarantees to its Subsidiaries, and where there are a large number of such guarantees each year and guarantee agreements need to be frequently entered into, making it difficult to submit each agreement to the Board of Directors or the shareholders' general meeting for consideration, the Company may estimate the total amount of new guarantees to be provided in the next 12 months separately for two categories of Subsidiaries – those with an asset-liability ratio of 70% or above and those with an asset-liability ratio below 70% – and submit such estimated amounts to the shareholders' general meeting for consideration.

When the aforementioned guarantee transactions actually occur, the Company shall make timely disclosure. The outstanding guarantee balance at any point in time shall not exceed the guarantee amount approved by the shareholders' general meeting.

Article 27 Where the Company provides a guarantee to a joint venture or associated enterprise, and the guaranteed party is not a related party of the Company's directors, senior management, shareholders holding 5% or more of the Company's shares, controlling shareholders or de facto controllers, and where there are a large number of such guarantees each year and guarantee agreements need to be frequently entered into, making it difficult to submit each agreement to the Board of Directors or the shareholders' general meeting for consideration, the Company may make a reasonable estimate of the specific objects to which it intends to provide guarantees and the corresponding amount of new guarantees for each such object within the next 12 months, and submit such estimate to the shareholders' general meeting for consideration.

When the aforementioned guarantee transactions actually occur, the Company shall make timely disclosure. The outstanding guarantee balance at any point in time shall not exceed the guarantee amount approved by the shareholders' general meeting.

Where the Company makes an estimate of guarantee amounts for its joint ventures or associated enterprises, it may adjust the guarantee amounts among its joint ventures or associated enterprises, provided that the following conditions are met simultaneously:

- (1) the amount of a single adjustment for the recipient of the adjustment does not exceed 10% of the Company's latest audited net assets;
- (2) at the time of the adjustment, a guarantee object with an asset-liability ratio exceeding 70% may only obtain guarantee amounts from guarantee objects with an asset-liability ratio exceeding 70% (at the time the shareholders' general meeting approved the guarantee amount estimate);
- (3) at the time of the adjustment, the recipient of the adjustment does not have any overdue and unpaid liabilities or similar circumstances.

When the aforementioned adjustment matters actually occur, the Company shall make timely disclosure.

Article 28 The Company must enter into a written guarantee contract for any external guarantee. Where a guarantee is provided to controlling shareholders, de facto controllers or their related parties, a counter-guarantee contract shall also be entered into. The guarantee contract and counter-guarantee contract shall contain the contents required by the Civil Code and relevant laws and regulations.

Article 29 A guarantee contract shall include at least the following:

- (1) the type and amount of the principal obligation being guaranteed;
- (2) the time limit for the debtor to perform the obligation;

- (3) the method of guarantee;
- (4) the scope of the guarantee;
- (5) the term of the guarantee;
- (6) other matters that the parties consider necessary to agree upon.

Article 30 When entering into a guarantee contract, the Company must comprehensively and carefully review the signing parties and relevant contents of the principal contract, the guarantee contract and the counter-guarantee contract. With respect to clauses that violate laws, regulations, the Articles of Association, relevant resolutions of the Board of Directors or the shareholders' general meeting of the Company, or that impose unreasonable obligations on the Company or create unforeseeable risks, the Company shall request the other party to amend such clauses. If the other party refuses to amend them, the Company shall refuse to provide the guarantee and shall report the matter to the Board of Directors or the shareholders' general meeting of the Company.

Article 31 The Chairman of the Board of the Company or other duly authorized personnel shall execute the guarantee contract on behalf of the Company based on a resolution of the Board of Directors or the shareholders' general meeting of the Company. Without approval and authorization by a resolution of the shareholders' general meeting or the Board of Directors of the Company, no person shall execute a guarantee contract on behalf of the Company.

Article 32 When accepting a counter-guarantee by mortgage or counter-guarantee by pledge, the finance department of the Company, together with the audit department of the Company, shall complete the relevant legal formalities, in particular, promptly handling procedures such as mortgage or pledge registration.

Article 33 If the debt guaranteed by the Company needs to be extended upon maturity and the Company continues to provide a guarantee therefor, such matter shall be treated as a new external guarantee and shall go through the review procedures and perform the information disclosure obligations anew.

Chapter IV Management of External Guarantees

Article 34 Specific external guarantee matters shall be handled by the Finance Department of the Company.

Article 35 The principal responsibilities of the Finance Department of the Company are as follows:

- (1) conducting credit investigation and assessment of the guaranteed party;
- (2) handling guarantee procedures in detail;
- (3) after the external guarantee becomes effective, conducting tracking, inspection and supervision of the guaranteed party;

- (4) properly maintaining the filing and management of documents relating to the guaranteed enterprise;
- (5) promptly and truthfully providing all external guarantee matters of the Company to the Company's audit institution in accordance with relevant regulations;
- (6) handling other matters relating to guarantees.

Article 36 The Company shall properly manage guarantee contracts and related source materials, conduct timely review and inspection, and regularly verify such materials with banks and other relevant institutions to ensure the completeness, accuracy and validity of the archived materials, and pay attention to the validity period of the guarantees. In the course of contract management, if any abnormal contract that has not been approved by the Board of Directors or the shareholders' general meeting through their review procedures is discovered, the Company shall promptly report to the Board of Directors.

Article 37 The Company shall continuously monitor the financial condition and debt repayment capacity of the guaranteed party. If it is discovered that the guaranteed party's operating condition has seriously deteriorated or that major events such as dissolution or division of the guaranteed party have occurred, the directors shall promptly take effective measures to minimize losses.

Upon the maturity of the guaranteed debt, the Company shall urge the guaranteed party to perform its debt repayment obligations within the prescribed time limit. If the guaranteed party fails to perform its obligations on time, the Company shall promptly take necessary countermeasures.

The Board of Directors of the Company shall establish a regular inspection system, conduct an annual inspection of all guarantee activities of the Company, verify whether the Company has any irregular guarantee activities, and disclose the inspection results in a timely manner.

Article 38 When the Company has provided a guarantee to another party and any of the following circumstances occurs – the guaranteed party fails to perform its repayment obligations in a timely manner after the debt matures, the guaranteed party becomes bankrupt or is liquidated, or the guaranteed creditor demands that the Company perform its guarantee obligations – the responsible department of the Company shall promptly ascertain the debt repayment status of the guaranteed party and, after becoming aware of the situation, prepare to initiate the counter-guarantee recourse procedures, and simultaneously notify the Board Secretary, who shall immediately report the matter to the Board of Directors of the Company.

Article 39 If the guaranteed party fails to perform its obligations and the guaranteed creditor asserts a claim against the Company for assuming guarantee liability, the responsible department of the Company shall immediately initiate the counter-guarantee recourse procedures and simultaneously notify the Board Secretary, who shall immediately report the matter to the Board of Directors of the Company.

Article 40 After the Company has performed its guarantee obligations for the debtor, it shall take effective measures to seek recourse against the debtor. The responsible department of the Company shall simultaneously notify the Board Secretary of the recourse status, and the Board Secretary shall immediately report the matter to the Board of Directors of the Company.

Article 41 When the Company finds evidence that the guaranteed party has lost or may lose its ability to perform its debts, it shall promptly take necessary measures to minimize losses and report the matter to the Board of Directors of the Company. If it is discovered that the creditor and the debtor have colluded maliciously to harm the Company's interests, the Company shall immediately take measures such as requesting a declaration that the guarantee contract is invalid. If economic losses are caused by the guaranteed party's default, the Company shall promptly seek recourse against the guaranteed party.

Article 42 The relevant departments of the Company shall, based on other risks that may arise, take effective measures and propose corresponding handling methods, and submit the matter to the Board of Directors of the Company depending on the circumstances.

Article 43 Where the Company acts as a surety and there are two or more sureties for the same debt and they have agreed to assume the guarantee liability on a shared basis, the Company shall refuse to assume any guarantee liability exceeding its agreed share.

Article 44 If the people's court accepts a bankruptcy case of the debtor and the creditor has not filed a claim, the relevant department of the Company shall propose that the Company participate in the distribution of the bankruptcy estate and exercise the right of recourse in advance.

Chapter V Disclosure of External Guarantee Information

Article 45 The Company shall conscientiously perform its information disclosure obligations with respect to external guarantees in accordance with the Listing Rules, the Articles of Association, the Information Disclosure Management System and other relevant provisions.

Article 46 Any department or responsible person involved in external guarantee matters of the Company shall have the responsibility to promptly report the external guarantee situation to the Board Secretary of the Company and provide the documents and materials required for information disclosure.

Article 47 External guarantees approved by the Board of Directors or the shareholders' general meeting of the Company, or guarantee matters that are disclosable under the Hong Kong Listing Rules, must be promptly disclosed in the newspapers designated by the CSRC for information disclosure and in accordance with the relevant regulations of the Hong Kong securities regulatory authorities (as the case may be). The disclosed information shall include, but not be limited to, the resolutions of the Board of Directors or the shareholders' general meeting, the total amount of external guarantees of the Company and its Subsidiaries as of the disclosure date, the total amount of guarantees provided by the Company to its Subsidiaries, and the respective percentages of the above amounts relative to the Company's latest audited net assets.

The Company shall promptly monitor the debt repayment status of the guaranteed party. With respect to guarantees that meet the disclosure standards, if the guaranteed party fails to perform its repayment obligations within fifteen (15) working days after the debt matures, or if the guaranteed party becomes bankrupt, is liquidated or experiences other circumstances that materially affect its repayment capacity, the Company shall make timely disclosure. If the securities regulatory authorities of the venue where the Company's shares are listed have other provisions, such provisions shall prevail.

Article 48 Where the Company or its Subsidiaries provide a counter-guarantee, such provision shall be subject to the relevant provisions on guarantees by analogy, and the relevant review procedures and information disclosure obligations shall be performed based on the amount of the counter-guarantee provided, except where the Company or its Subsidiaries provide a counter-guarantee for a guarantee based on their own debt.

Article 49 The relevant departments of the Company shall take necessary measures to keep the number of persons informed of guarantee information to a minimum before such information is publicly disclosed in accordance with the law. Any person who lawfully or unlawfully becomes aware of the Company's guarantee information shall have a duty of confidentiality until such information is publicly disclosed in accordance with the law; failing which, they shall bear the legal liabilities arising therefrom.

Chapter VI Responsibilities of Responsible Persons

Article 50 If losses are caused or may be caused to the Company due to the failure of controlling shareholders, de facto controllers or other related parties to repay in a timely manner the debts formed by guarantees provided by the Company to them, or due to their misappropriation or transfer of the Company's funds, assets or other resources, the Board of Directors of the Company shall promptly take protective measures such as pursuing repayment, initiating litigation, applying for asset preservation, and demanding the provision of guarantees to avoid or reduce losses, and shall pursue the liability of the relevant persons.

Article 51 The Company shall strictly comply with this System when providing external guarantees. The Board of Directors of the Company shall, based on the extent of the Company's losses, the magnitude of the risks and the seriousness of the circumstances, decide on the appropriate sanctions against the responsible person at fault.

If the Company engages in any irregular guarantee activity, it shall make timely disclosure, take reasonable and effective measures to remedy or rectify the irregular guarantee activity, mitigate the Company's losses, protect the interests of the Company and its minority shareholders, and pursue the liability of the relevant persons.

Article 52 If any director, general manager or other senior management personnel of the Company, without following the procedures set forth in this System, arbitrarily or beyond their authority, executes a guarantee contract, the liability of such person shall be pursued.

Article 53 If any personnel of the responsible department of the Company or other responsible persons, in violation of legal provisions or the provisions of this System, disregard risks and arbitrarily provide a guarantee, thereby causing losses, such persons shall be liable for compensation. If any personnel of the responsible department of the Company or other responsible persons neglect their duties, thereby causing losses to the Company, they shall be subject to economic penalties or corresponding sanctions depending on the severity of the circumstances.

Article 54 If any personnel of the responsible department of the Company or other responsible persons arbitrarily make a decision that causes the Company to assume liability and incur losses, in circumstances where the law provides that the guarantor is not required to assume such liability, the Company shall impose disciplinary sanctions on such persons, and such persons shall be liable for compensation.

Chapter VII Supplementary Provisions

Article 55 For the purpose of this System, the term “more than” shall include the relevant figure itself, while the terms “below” and “exceeding” shall exclude the relevant figure itself.

Article 56 Matters not covered by this System shall be handled in accordance with the relevant provisions of applicable national laws, regulations, regulatory documents and the Articles of Association. If any provision of this System is inconsistent with the relevant provisions of applicable laws, regulations, regulatory documents or the Articles of Association, the provisions of such laws, regulations, regulatory documents or the Articles of Association shall prevail.

Article 57 This System shall take effect from the date of approval by the shareholders’ general meeting. From the effective date of this System, the Company’s original Decision-Making System for External Guarantees (revised in October 2022) shall automatically become invalid.

Article 58 This System shall be interpreted by the Board of Directors of the Company.

**MANAGEMENT MEASURES FOR RAISED FUNDS OF
SHANDONG GOLD MINING CO., LTD.****Chapter I General Provisions**

Article 1 In order to standardize the management and use of the funds raised by Shandong Gold Mining Co., Ltd. (hereinafter referred to as the “Company”), improve the efficiency and effectiveness of the use of proceeds, ensure the safety of the use of proceeds and protect the interests of investors, these measures are formulated in accordance with the Company Law of the People’s Republic of China, the Securities Law of People’s Republic of China, the Administrative Measures for Registration of Issuance of Securities by Listed Companies, the Regulatory Rules on the Use of Proceeds of Listed Companies, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (hereinafter referred to as the “Shanghai Listing Rules”), the Guidelines No. 1 on Self-Regulatory and Supervision for Listed Companies on the Shanghai Stock Exchange – Standardized Operation and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”, together with the Shanghai Listing Rules, collectively the “Listing Rules”) and other relevant laws and regulations, as well as the provisions of the Articles of Association of Shandong Gold Mining Co., Ltd., and taking into account the actual situation of the Company.

Article 2 The term “funds” or “proceeds” as mentioned herein refers to the funds raised by the Company from investors through public issuance of securities (including initial public offering of stocks, allotment of shares, additional issuance, issuance of convertible corporate bonds, issuance of convertible corporate bonds with separate transactions, etc.) and non-public issuance of securities and to be used for special purposes, but excludes the funds raised by the Company in implementation of equity incentives.

Article 3 The Company’s raised funds shall be used for the purposes for which they are raised. The use of the raised funds by the Company shall comply with national industrial policies and relevant laws and regulations, practice the concept of sustainable development, fulfill social responsibilities, and shall, in principle, be used for its principal business, so as to enhance the Company’s competitiveness and innovation capabilities. Raised funds shall not be used for holding financial investments, nor shall they be directly or indirectly invested in companies whose principal business is trading in marketable securities.

The Board of Directors of the Company shall continuously monitor the deposit, management and use of the raised funds, effectively prevent investment risks, and improve the efficiency of the use of the raised funds.

Article 4 The controlling shareholders, de facto controllers and other related parties of the Company shall neither use or misappropriate the raised funds of the Company, nor use the projects invested with the proceeds (hereinafter referred to as “Investment Project”) to secure illegitimate benefits.

Article 5 The directors and senior managers of the Company shall be diligent and responsible, ensure safety of the raised funds, and shall not manipulate the Company to alter the purpose of the raised funds without authorization or in disguise.

Article 6 The raised funds shall be carefully used by the Company for the purposes specified in the prospectus or other public offering documents, and the use thereof shall not be arbitrarily changed.

The Company shall make true, accurate and complete disclosure of the actual use of the raised funds. In case of any situation having a serious impact on the normal operation of the proceeds investment plan, the Company shall make a relevant announcement in a timely manner.

As to the Investment Project implemented through the Company's subsidiaries or other entities controlled by the Company, the Company shall ensure compliance with these measures by such subsidiaries or such other entities controlled by it.

Chapter II Depository of the Raised Funds

Article 7 The Company shall prudently select a commercial bank and open the special account(s) for the raised funds (the "**Special Account**"). The raised funds shall be deposited into a special account approved by the board of directors for centralized management and use. The Special Account shall not be used for the deposit of funds other than the proceeds or for any other purpose.

Where the Company conducts financing more than twice, the Company shall set up separate Special Accounts for the raised funds. The excess of net funds actually raised over the funds to be raised as planned (hereinafter referred to as the "**Excess Raised Funds**") shall also be placed in the Special Account for management.

Article 8 The Company shall, within one month after receiving the raised funds, sign a tripartite supervision agreement on the Special Account of the raised funds with the sponsor or independent financial advisor, and the commercial bank in which the proceeds are deposited (the "**Commercial Bank**") and make announcement(s) in a timely manner. After the relevant agreement is signed, the Company may use the raised funds. The agreement shall at least includes the following:

- (I) The Company shall deposit the raised funds into the Special Account;
- (II) Account number of the Special Account(s), the projects financed by the raised funds related to the Special Account(s) and the amount deposited;
- (III) The Commercial Bank shall provide the Company with the bank statements of the Special Account for the raised funds on a monthly basis, with a copy to the sponsor or independent financial advisor;
- (IV) In case the Company draws from the Special Account(s) for the raised funds an aggregate of more than RMB50 million, which reaches 20% of the total amount of raised funds net of issue expenses in one time or in any 12 consecutive months (hereinafter referred to as the "**Net Raised Funds**"), the Company shall notify the sponsor or independent financial advisor in a timely manner;
- (V) The sponsor or independent financial advisor may at any time inquire information on the Special Account(s) from the Commercial Bank;

- (VI) The supervision duties of the sponsor or independent financial advisor, the notification and cooperation duties of the commercial bank, the supervision method of the sponsor or independent financial advisor and the commercial bank on the use of the raised funds of the Company;
- (VII) The liabilities for breach of contract of the Company, the commercial bank, the sponsor or independent financial advisor;
- (VIII) Where the Commercial Bank fails to provide bank statements to the sponsor or independent financial adviser in a timely manner on three occasions, or fails to cooperate with the sponsor or independent financial adviser in inquiring about or investigating the information of the Special Account, the Company may terminate the agreement and cancel the relevant Special Account.

The Company shall file with the Shanghai Stock Exchange and make announcement(s) in a timely manner within two trading days after signing of the above agreement.

In case of early termination of the above agreement before expiry of validity, the Company shall sign a new agreement with the related parties within two weeks from the date of termination of the agreement, and make announcement(s) in a timely manner.

Article 9 No non-raised funds shall be deposited in the Special Account for raised funds, nor shall the Special Account be used for any other purposes.

Where the raised funds are invested in overseas projects, the Company and the sponsor or independent financial adviser shall also take effective measures to ensure the safety and standardized use of the raised funds invested in overseas projects, and disclose the relevant specific measures and actual results in the Special Report on the Deposit, Management and Actual Use of the Company's Raised Funds (the "**Special Report on Raised Funds**").

Chapter III Use of Raised funds

Article 10 The Company shall follow the following requirements when using the raised funds:

- (I) The Company shall use the raised funds pursuant to the fund use plan described in the application documents for issuance. The detailed approval procedures are as follows:
 - 1. At the beginning of the year, the fund-using unit is required to include the Investment Project in the Company's annual investment plan and get separate approval for it;
 - 2. The Fund-using unit submits quarterly application report for fund use, which shall include but not limited to the overall investment of the project, the cumulative investment as of the date of the report, the planned investment and the amount of funds applied for that quarter, etc.;

3. The department of the Company which is responsible for project management shall issue a review opinion on the progress of the project, and the finance department shall issue an opinion on the fund use of the project; and the office of the general manager of the Company shall issue a final approval opinion on the quarterly fund application report;
 4. The fund-using unit shall set up the Special Account(s) for management and separate accounting for the proceeds being appropriated.
- (II) In case of any of the following circumstances, the Company and fund-using unit shall evaluate the feasibility and expected earnings of the Investment Project, to decide whether to continue the implementation of the project, and disclose in the latest periodic report the specific details of the re-evaluation of the Investment Project during the reporting period:
1. Significant changes occur in the market environment of the Investment Project;
 2. The Investment Project has been shelved for more than one year after the raised funds are credited to the Company's account;
 3. The project has gone beyond the completion period of the Fundraising Investment Plan and the invested amount of raised funds has not reached 50% of relevant planned amount;
 4. Other abnormal situations occur in the Investment Project.

Where the Company is under any of the circumstances set out in the preceding paragraph, it shall make timely disclosure. If it is necessary to adjust the proceeds investment plan, the adjusted proceeds investment plan shall be disclosed at the same time. If the change involves altering the proceeds investment project, the relevant review procedures for changing the use of proceeds shall apply.

The Company shall disclose in the latest periodic report the specific details of the re-evaluation of the proceeds investment project during the reporting period.

- (III) When the Company uses the raised funds for the following purposes, the usage shall be reviewed and approved by the board of directors, and timely disclosure shall be made after the sponsor or independent financial adviser has expressed its clear opinion
1. Using raised funds to replace self-raised funds invested for the Investment Project;
 2. Using Temporarily idle raised funds for cash management;
 3. Using Temporarily idle raised funds to temporarily replenish working capital;
 4. Change of the use of the raised funds;

5. Using Excess Raised Funds for projects under construction and new projects, or for repurchasing the Company's shares and canceling them in accordance with the law.

Where the Company is under the circumstances set out in items 4 and 5 of the preceding paragraph, it shall also be considered and approved by the general meeting.

Where any related/connected transaction, asset acquisition or external investment is involved, the review procedure and disclosure obligation shall be performed in accordance with the Listing Rules.

Article 11 The Company's raised funds shall, in principle, be used for its principal business. The Company shall not use the raised funds in any of the following ways:

- (I) The Investment Projects are financial investments such as holding transactional financial assets and financial assets available for sale, lending to others, entrusting wealth management, and direct or indirect investments in the companies whose principal business is trading negotiable securities;
- (II) To alter the use of the raised funds in disguised form through pledge, entrusted loan or other means;
- (III) To provide the raised funds directly or indirectly to the controlling shareholders, the de facto controllers and other related parties for their use, so as to facilitate the related parties to obtain unfair benefits from the project;
- (IV) Other behaviors in violation of the provisions on the management of raised funds.

If the Company discovers that its controlling shareholders, de facto controllers or other related parties have misappropriated the raised funds, it shall promptly demand the return of such funds, and disclose the reasons for the misappropriation, the impact on the Company, the remediation plan and the progress of the remediation.

Article 12 Where the Company has invested self-raised funds in a proceeds investment project in advance and, after the raised funds are credited, uses the raised funds to replace such self-raised funds, such replacement shall be carried out within six months after the raised funds are transferred into the Special Account.

During the implementation of a proceeds investment project, the raised funds shall, in principle, be used for direct payment. Where it is genuinely difficult to make direct payment from the raised funds for matters such as paying personnel salaries or purchasing overseas products and equipment, the replacement may be carried out within six months after the self-raised funds are paid.

The replacement of raised funds shall be considered and approved by the board of directors of the Company, and the sponsor or independent financial adviser shall express its clear opinion. The Company shall disclose the relevant information in a timely manner.

Article 13 The Company may conduct cash management with temporarily idle raised funds, which shall be implemented through the Special Account for raised funds or a publicly disclosed dedicated settlement account for wealth management products. Where cash management is implemented through a dedicated settlement account for wealth management products, such account shall not hold non-raised funds or be used for other purposes. The implementation of cash management shall not affect the normal progress of the raised funds investment plan. Cash management products shall meet the following conditions:

- (I) they are products with high safety such as structured deposits and certificates of deposit with large denominations, and shall not be non-principal-guaranteed products;
- (II) they have good liquidity, with a product term not exceeding 12 months; and
- (III) cash management products shall not be pledged.

Only after the cash management products referred to in the first paragraph of this Article mature and the raised funds are recovered on schedule and announced, may the Company conduct cash management again within the authorized term and amount.

The Company shall make a announcement in a timely manner when it opens or cancels a dedicated settlement account for investment products.

Article 14 Where the Company uses temporarily idle raised funds for cash management, such use shall be considered and approved by the board of directors, and the sponsor or independent financial adviser shall express its clear opinion. The Company shall, promptly after the board of directors' deliberation, disclose the following information:

- (I) Basic information on the raised funds, including the date of raising, the amount and net amount of the raised funds and investment plan;
- (II) The use of the raised funds;
- (III) The quota and duration of the cash management, whether there is any behavior of changing the use of the raised funds in a disguised form, and the measures taken to ensure the normal operation of the Investment Project;
- (IV) The income distribution method, investment scope and safety of cash management products;
- (V) The opinions issued by the the sponsor or independent financial advisor of the Company.

The Company shall in a timely manner make an announcement of risk reminder and indicate the risk control measures adopted by the Company to guarantee the safety of the funds in the event of any deterioration in the financial conditions of the issuer of the products, loss suffered from the invested products and other circumstances that may harm the interests of the Company and investors.

Article 15 When the Company temporarily uses the idle raised funds to supplement liquidity, it shall do so through the Special Account for raised funds and shall comply with the following requirements:

- (I) The use of raised funds shall not be changed in a disguised way, and the normal progress of the investment plan of the raised funds shall not be effected;
- (II) It shall be only used for the main business-related production and operation activities.
- (III) A single temporary injection of liquidity shall not last for more than 12 months;
- (IV) The raised funds previously used for temporarily supplementing liquidity have been returned when falling due (if applicable).

Where the Company uses temporarily idle raised funds to temporarily replenish working capital, the matters such as the amount and term shall be considered and approved by the board of directors of the Company, and the sponsor or independent financial adviser shall express its clear opinion. The Company shall disclose of the relevant information in a timely manner.

Prior to the due date of the supplementary liquidity, the Company shall return the part of the funds to the Special Account for raised funds, and make an announcement regarding the return of the raised funds in a timely manner.

Article 16 The Company shall properly arrange a plan for the use of Excess Raised Funds based on its development plan and actual production and operation needs. Excess Raised Funds shall be used for projects under construction or new projects, or for repurchasing the Company's shares and canceling them in accordance with the law. The Company shall finalize a specific plan for the use of Excess Raised Funds and put such proceeds to use according to the plan no later than the overall completion of the relevant batch of Investment Projects. The use of Excess Raised Funds shall be resolved by the board of directors in accordance with the law, the sponsor or independent financial adviser shall express its clear opinion, and the matter shall be submitted to the general meeting for consideration. The Company shall timely and fully disclose information on the necessity and rationality of using Excess Raised Funds. Where the Company uses Excess Raised Funds to invest in projects under construction or new projects, it shall also fully disclose information such as the construction plan, investment period and rate of return of the relevant projects.

If it is truly necessary to use temporarily idle Excess Proceeds for cash management or to temporarily replenish working capital, the necessity and rationality shall be explained. Where the Company uses temporarily idle Excess Proceeds for cash management or to temporarily replenish working capital, matters such as the amount and term shall be considered and approved by the board of directors, the sponsor or independent financial adviser shall express its clear opinion, and the Company shall disclose the relevant information in a timely manner.

Article 17 If the Company uses the surplus raised funds (including interest income) of the project(s) for any other Investment Project after a single Investment Projects are completed, the use shall be subject to the consideration and approval by the sponsor or independent financial advisor. The Company shall make an announcement in a timely manner after the board of directors' deliberation.

If the surplus raised funds (including interest income) are less than RMB1 million or less than 5% of the committed investment amount of the project raised funds, they may be exempted from the procedures stipulated in the preceding clause, and their use shall be disclosed in the annual report.

Where the surplus raised from the Company's individual Investment Project (including interest income) are used for non-raised funds investment project (including liquidity funding), the Company shall perform the corresponding procedures and disclosure obligations as required for changes in the use of the Investment Project.

Article 18 After the completion of all Investment Projects, the surplus raised funds (including interest income) may be used after consideration and approval by the board of directors and after explicit opinions have been expressed by the sponsor or independent financial advisor. The Company shall make a timely announcement after consideration and approval by the board of directors. If the remaining proceeds (including interest income) represent more than 10% of the net proceeds, such proceeds shall also be considered and approved at the general meeting.

If the amount of the surplus raised funds (including interest income) is less than RMB5 million or less than 5% of the net proceeds, performance of the procedures stipulated in the preceding clause may be waived, but the use of such proceeds shall be disclosed in the latest periodic report.

Chapter IV Changes in Investment Direction of Raised Funds

Article 19 Where any of the following circumstances occurs, it shall be deemed as a change of the use of raised funds. A resolution shall be made by the board of directors in accordance with the law, the sponsor or independent financial adviser shall express its clear opinion, and the matter shall be submitted to the general meeting for consideration. The Company shall disclose the relevant information in a timely manner:

- (I) canceling or terminating the original Investment Project and implementing a new project or permanently replenishing working capital;
- (II) changing the implementing entity of the Investment Project;
- (III) changing the implementation method of the Investment Project; or
- (IV) other circumstances deemed by the CSRC and the Shanghai Stock Exchange as a change of the use of raised funds.

Where the Company is under the circumstance set out in item (1) of the preceding paragraph, the sponsor or independent financial adviser shall, based on the relevant documents on the raised funds disclosed previously, specifically explain the main reasons for the change in the Investment Project and the reasonableness of the opinions expressed by the intermediary institutions at the earlier stage.

If the Company uses the raised funds in accordance with the provisions of Article 14, Article 16, or the second paragraph of Article 17 of these Measures and exceeds the amount, term or other matters determined by the board of directors' deliberation procedures, and the circumstances are serious, such act shall be deemed as an arbitrary change of the use of raised funds.

Article 20 If the implementation subject of the Investment Project changes between the Company and its wholly-owned subsidiary, or only a change of the location of implementation of the Investment Project, is involved, it shall not be deemed as a change in the use of raised funds. Such change shall be resolved by the board of directors without the need to go through the general meeting review procedures. The sponsor or independent financial adviser shall express its clear opinion on such change, and the Company shall disclose the relevant information in a timely manner.

Article 21 The altered Investment Project shall be invested in the principal business. If the board of directors of the Company decides to terminate the original Investment Project and change the use of the raised funds, it shall scientifically and prudently select a new investment project as soon as possible and submit it to the general meeting for decision, and reasons for changing the use of funds raised, description of the new project and its effect on the Company in the future shall be elaborated in the notice of general meeting. The Company should scientifically and prudently carry out feasibility analysis of new Investment Projects, ensure that the investment projects have good market prospects and profitability, effectively guard against investment risks, and improve the efficiency of the use of raised funds. The selected new investment projects must be within the Company's main business scope, conform to the provisions of national industrial policies and the needs of the Company's medium and long-term development, and the technological advancement and economic rationality of the investment projects shall be fully considered.

Article 22 If the Company intends to change a raised funds investment project, it shall, after submitting the matter to the board of directors for consideration, promptly announce the following information:

- (I) Basic information of the original Investment Project and the specific reasons for the change;
- (II) Basic information, feasibility analysis and risk warnings of the new Investment Project;
- (III) The investment plan for the new Investment Project;
- (IV) A statement that the new Investment Project has obtained the approval from or is to be approved by the relevant competent authority (if applicable);
- (V) Opinions issued by the sponsor or independent financial adviser on the change of the Investment Project;
- (VI) The explanation that the change of the Investment Project is still subject to the approval by the general meeting;
- (VII) Other contents as required by the stock exchange where the Company's securities are listed.

If a new Investment Project involves related party transactions, the purchase of assets, or external investment, the Company shall also go through the review procedures and perform the information disclosure obligations in accordance with the provisions of the relevant rules.

Article 23 If the Company intends to acquire the assets (including rights and interests) of the controlling shareholder or the de facto controller by changing the use of the Investment Project, the Company shall ensure that the horizontal competition can be effectively prevented and related party transactions can be reduced after the acquisition.

Article 24 Except where the Investment Project has been wholly transferred or swapped out during a major asset restructuring of the Company, if the Company intends to transfer or swap out the Investment Project, it shall promptly announce the following information after submitting the matter to the board of directors for consideration:

- (I) The specific reasons for the external transfer or replacement of the Investment Project;
- (II) The amount of the raised funds already used for the project;
- (III) The degree of completion and the realized benefits of the project;
- (IV) Basic information, feasibility analysis and risk warning (if applicable) of the transferred-in project;
- (V) Pricing basis for the transfer or replacement and the relevant earnings;
- (VI) Opinions issued by the the sponsor or independent financial advisor on the transfer or replacement of the Investment Project;
- (VII) The explanation that the transfer or replacement of the Investment Project is still subject to the approval by the general meeting.

Article 25 If the Investment Project is expected to be unable to be completed within the originally scheduled period and the Company intends to extend the implementation period, the extension shall be promptly considered and approved by the board of directors, and the sponsor or independent financial adviser shall express its clear opinion. The Company shall disclose in time the specific reasons for the failure to complete on schedule, explanation on the deposit and accounting status of the proceeds, whether there is any situation affecting the normal progress of the utilization plan of the proceeds, the estimated completion time, phased investment plan, and measures for guaranteeing the completion on schedule after the extension.

Chapter V Management and Supervision of the Use of Raised Funds

Article 26 The Company shall strengthen the management and financial supervision of raised funds. The finance department of the Company and the finance department of unit using raised funds (as the accounting departments of the Company) shall establish a ledger for the use of raised funds, which shall set out in detail the spending of raised funds and the investments of projects using raised funds.

The audit department of the Company shall check the deposit and use of raised funds at least every six months, and report the checking results to the audit committee of the board of directors in a timely manner.

In the event that the audit committee of the board of directors is of the view that there are non-compliance and material risks in the management of the Company's raised funds or the audit department of the Company fails to submit a report on the checking results in accordance with the provisions of the preceding paragraph, it shall report to the board of directors on a timely basis. The board of directors shall report to the Shanghai Stock Exchange after receiving the report and make an announcement in a timely manner.

Article 27 The Company shall disclose the actual use of raised funds in a true, accurate and complete manner. The board of directors of the Company shall continuously monitor the actual management and use of raised funds and Excess Raised Funds (if any), conduct a comprehensive review of the progress of the raised funds investment projects on a semi-annual basis, and prepare, consider, approve and disclose the Special Report on Raised Funds. The relevant special report shall include the basic information of the raised funds and the status of their deposit, management and use as required by the regulatory rules. If the actual investment progress of a raised funds investment project deviates from the investment plan, the Company shall explain the specific reasons in the Special Report on Raised Funds.

During the annual audit, the Company shall engage an accounting firm to issue an assurance report on the deposit, management and use of raised funds, and shall disclose such report together with the disclosure of the annual report.

Article 28 The sponsor or independent financial adviser shall, in accordance with the provisions of the Administrative Measures for the Sponsorship Business of Securities Issuance and Listing, conduct continuous supervision over the deposit, management and use of the Company's raised funds. If any abnormal circumstances are discovered during the continuous supervision, the sponsor or independent financial adviser shall promptly carry out on-site verification. The sponsor or independent financial adviser shall conduct on-site verification of the deposit, management and use of the Company's raised funds at least once every six months.

After the end of each fiscal year, the sponsor or independent financial adviser shall issue a special verification report on the deposit, management and use of the Company's raised funds for the year, and shall disclose such report together with the Company's disclosure of its annual report. The verification report shall include the following contents:

- (I) the deposit, management and use of raised funds and the balance in the Special Account;
- (II) the progress of the raised funds projects, including any deviation from the progress of the raised funds investment plan;
- (III) the use of raised funds to replace self-raised funds that have already been invested in the raised funds investment project (if applicable);
- (IV) the use and effectiveness of idle raised funds to replenish working capital (if applicable);

- (V) the cash management of idle raised funds (if applicable);
- (VI) the use of Excess Raised Funds (if applicable);
- (VII) any change in the investment direction of raised funds (if applicable);
- (VIII) the use of surplus raised funds (if applicable);
- (IX) a conclusive opinion on whether the deposit, management and use of the Company's raised funds are in compliance with relevant regulations; and
- (X) other contents required by regulatory authorities such as the CSRC and the Shanghai Stock Exchange.

After the end of each fiscal year, the board of directors of the Company shall disclose the special verification report issued by the sponsor or the independent financial adviser and the concluding opinions of the assurance report of the accounting firm in the Special Report on Raised Funds.

Article 29 The Company shall cooperate with the sponsor or independent financial adviser in its continuous supervision and on-site verification, as well as with the accounting firm in its audit work, and shall promptly provide, or apply to the bank for the provision of, the necessary information relating to the deposit, management and use of raised funds.

If the sponsor or independent financial adviser finds that the Company or the Commercial Bank has failed to perform the tripartite supervision agreement on the deposit of raised funds in the Special Account in accordance with the agreement, it shall urge the Company to make timely rectifications.

Chapter VI Supplementary Provisions

Article 30 Unless otherwise expressly stated, the terms “no less than”, “within” and “before” stated in these measures include the underlying number while “beyond” and “less than” do not include the underlying number.

Article 31 These measures shall become effective from the date of approval by the general meeting. The former Management Measures for Raised Funds (revised in October 2022) shall be rescinded upon these measures becoming effective.

Article 32 These measures shall be interpreted by the board of directors.

**SHANDONG GOLD MINING CO., LTD.
REMUNERATION MANAGEMENT SYSTEM
FOR DIRECTORS AND SENIOR MANAGEMENT**

Chapter I General Provisions

Article 1 In order to further improve the remuneration management system for directors and senior management of Shandong Gold Mining Co., Ltd. (the “Company”), establish a scientific and effective incentive and restraint mechanism, effectively enhance the work enthusiasm of the Company’s directors and senior management, improve the Company’s management level, and promote the healthy, sustained and stable development of the Company, the System is hereby formulated in accordance with the Company Law of the People’s Republic of China, the Corporate Governance Standards for Listed Companies and other relevant laws, regulations and regulatory documents, as well as the relevant provisions of the Articles of Association of Shandong Gold Mining Co., Ltd. (the “Articles of Association”), and in consideration of the Company’s actual circumstances.

Article 2 The incentive targets of the System include the directors and senior management who have entered into a labor contract with the Company. The senior management of the Company includes the General Manager, Deputy General Manager, the Board Secretary, the Chief Financial Officer and other senior management personnel as determined by the Board of Directors.

Article 3 The remuneration management for directors and senior management of the Company follows the principles set out below:

- (I) the principle of aligning rights, responsibilities and interests: the remuneration level shall match the position value and the duties and obligations, with distribution based on work, and responsibility constraints shall be reinforced;
- (II) the principle of benefit and market orientation: remuneration shall be linked to the Company’s performance and individual performance, taking into account market levels and industry characteristics.
- (III) the principle of long-term and stable development: the remuneration system shall align with the Company’s objectives of sustained, stable and healthy development, ensuring long-term value creation.
- (IV) the principle of balancing incentives and restraints: the payment of remuneration shall be linked to assessment, rewards and disciplinary mechanisms, rewarding excellence and punishing poor performance, and providing effective restraint.

Chapter II Remuneration Management Body

Article 4 The Remuneration and Appraisal Committee shall be responsible for formulating the appraisal standards for directors and senior management and conducting appraisals, and for formulating and reviewing the remuneration policies and plans for directors and senior management.

Article 5 The remuneration plan for directors shall be determined by the general meeting and disclosed. When the Board of Directors or the Remuneration and Appraisal Committee evaluates a director or discusses the remuneration of a director, such director shall abstain from participating. The remuneration plan for senior management shall be approved by the Board of Directors, explained to the general meeting and fully disclosed. Where the listed company is loss-making, any change in the remuneration of directors and senior management shall be specifically explained at each stage of the remuneration deliberation process as to whether such change complies with the requirement of performance linkage.

Article 6 The Human Resources Department, the Finance Department and other relevant departments of the Company shall cooperate with the Remuneration and Appraisal Committee in the implementation of the remuneration plans for directors and senior management of the Company.

Chapter III Remuneration Structure

Article 7 Independent Directors shall adopt a fixed allowance system. The allowance standards shall be formulated as a preliminary plan by the Remuneration and Appraisal Committee, considered by the Board of Directors, submitted to the general meeting for approval by vote, and disclosed in the Company's annual report. Other than such allowances, no additional remuneration shall be paid to Independent Directors.

Article 8 Non-independent Directors (including employee Directors) who hold positions in the Company (other than the position of Director) shall be remunerated in accordance with the remuneration and appraisal management rules applicable to their respective positions, and shall not receive separate Director's remuneration.

Article 9 The remuneration of Directors and senior management who hold positions in the Company shall consist of basic salary, performance-related pay, etc., of which the proportion of performance-related pay shall, in principle, be not less than 50% of the total of basic salary and performance-related pay.

Article 10 The remuneration of Directors and senior management shall be adjusted accordingly in response to changes in the Company's operating conditions to meet the needs of the Company's further development. When making adjustments, factors such as industry remuneration levels, the Company's profitability and organizational structure adjustments may be taken into consideration.

Chapter IV Performance Appraisal and Remuneration Payment

Article 11 The Remuneration and Appraisal Committee of the Board shall be responsible for organizing the performance appraisal of the Company's Directors and senior management. The appraisal shall be conducted based on the Company's overall strategic objectives and annual operating targets, taking into account the operating performance.

Article 12 The basic salary shall be determined with reference to industry and regional remuneration levels, job responsibilities and performance of duties, and shall be paid on a monthly basis.

Article 13 The performance-related pay shall be determined and paid based on the completion status of annual performance targets. The current performance-related pay of the Company's Directors and senior management may be paid in advance on a monthly basis at a certain percentage, and shall be settled after the amount of the annual performance-related pay is determined. The specific amount shall be determined based on the audited annual financial data and the appraisal results for the corresponding year.

Article 14 Where Directors or senior management personnel of the Company leave their posts due to reasons such as session expiration, re-election or resignation, their remuneration shall be calculated and paid based on their actual term of office and performance results.

Article 15 The remuneration of Directors and senior management personnel of the Company shall be amounts before tax. The Company shall, in accordance with relevant national and Company's regulations, withhold and pay the following amounts from the remuneration:

- (I) individual income tax;
- (II) the portion of various social insurance premiums and housing provident fund to be borne by the individual;
- (III) other amounts to be borne by the individual as required by applicable national or Company's regulations.

Chapter V Suspension and Clawback of Remuneration

Article 16 Where the Company retrospectively restates its financial reports due to misstatements such as financial fraud, it shall promptly re-assess the performance-related pay of the relevant Directors and senior management and correspondingly claw back any excess portion that has been paid.

Article 17 Where Directors or senior management personnel of the Company violate their statutory obligations and cause losses to the Company, or are at fault for illegal and irregular acts such as financial fraud, fund occupation, and non-compliant guarantee, the Company shall, depending on the severity of the circumstances, reduce or suspend the payment of their unpaid performance-related pay, and recover, in full or in part, the performance-related pay already paid during the period in which the relevant acts occurred.

Article 18 Any compensation provisions relating to the early termination of the appointment of Directors or senior management personnel contained in relevant contracts shall comply with the principle of fairness, shall not harm the legitimate rights and interests of the Company, and shall not involve any transfer of benefits.

Chapter VI Supplementary Provisions

Article 19 Matters not covered by the System shall be governed by the provisions of applicable laws, administrative regulations, regulatory documents and the Articles of Association. Where the System conflicts with the aforesaid provisions, the aforesaid provisions shall prevail.

Article 20 The System shall be interpreted by the Board of Directors of the Company.

Article 21 The System shall take effect and be implemented from the date of approval by the general meeting of the Company, and the same shall apply to any amendment thereof.

NOTICE OF 2026 FIRST EXTRAORDINARY GENERAL MEETING



SD-GOLD

SHANDONG GOLD MINING CO., LTD.

山東黃金礦業股份有限公司

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

(Stock Code: 1787)

NOTICE OF 2026 FIRST EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2026 first extraordinary general meeting (the “EGM”) of Shandong Gold Mining Co., Ltd. (the “**Company**”) will be held at the conference room of the Company, No. 2503, Jingshi Road, Licheng District, Jinan, Shandong Province, the PRC at 9:30 a.m. on Friday, 26 June 2026 for the purpose of considering and, if thought fit, passing the following resolutions.

ORDINARY RESOLUTIONS

1. To approve the resolution regarding the amendments to Management System for Related Party Transactions
2. To approve the resolution regarding the amendments to Decision-making System for External Guarantees
3. To approve the resolution regarding the amendments to Management Measures for Raised Funds
4. To approve the resolution regarding the formulation of the Remuneration Management System for Directors and Senior Management
5. To approve the resolution regarding the Supplemental Agreement to the New Financial Services Framework Agreement entered into between the Company and Shandong Gold Group Finance Co., Ltd.

SPECIAL RESOLUTION

6. To approve the resolution regarding the general mandate for issue of debt financing instruments domestically and internationally

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

NOTICE OF 2026 FIRST EXTRAORDINARY GENERAL MEETING

Jinan, the PRC, 3 June 2026

As at the date of this notice, 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.

Notes:

1. Holders of the Company's H Shares should note that the H Shares register of members of the Company will be closed from Tuesday, 23 June 2026 to Friday, 26 June 2026 (both days inclusive). All transfer documents accompanied by the relevant share certificates must be lodged with the Company's H Share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Monday, 22 June 2026. H Shareholders whose names appear on the H Shares register of members of the Company at the close of business on Monday, 22 June 2026 are entitled to attend with their identity cards or passports and vote at the EGM. The record date and arrangements in respect of the holders of A Shares of the Company who are entitled to attend the EGM will be determined and announced separately in the PRC.
2. Any shareholder entitled to attend and vote at the EGM is entitled to appoint a proxy or more proxies (who need not be a shareholder of the Company) to attend the EGM and vote thereat in his/her stead. For any shareholder who appoints more than one proxy, the voting right can only be exercised by his/her proxies on a poll.
3. Any shareholder who intends to appoint a proxy to attend the EGM shall put it in writing, with the proxy form to be signed by the appointor or his/her attorney duly authorized in writing. If the appointor is a corporation, the proxy form must be affixed with its common seal, or signed by any of its directors or attorney duly authorized in writing. If the proxy form is signed by an attorney authorized by the appointor, the power of attorney or other authorization documents must be notarially certified. The notarially certified power of attorney or other authorization documents together with the proxy form must be delivered to the Company's H share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H Shareholders only) not later than 24 hours before the time appointed for the holding of the EGM (i.e. before 9:30 a.m. on Thursday, 25 June 2026) or not later than 24 hours before the time appointed for holding of any adjournment thereof (as the case may be). Completion and return of the proxy form will not affect the rights of the shareholders to attend and vote at the EGM in person.
4. Proxies of holders of the Company's H Shares shall bring along this proxy form, instrument(s) for appointing a proxy (if applicable) and the proxies' identity cards or passports to attend the EGM.
5. According to Article 86 of the Articles of Association, an ordinary resolution shall be passed by more than half of the votes cast by the shareholders (including proxies) present at the general meeting, while a special resolution shall be passed by more than two-thirds of the votes cast by the shareholders (including proxies) present at the general meeting.
6. Directors and senior management of the Company and the witnessing lawyers and other relevant personnel employed by the Company will attend the EGM.
7. If H Shareholders intend to register for the EGM, please contact the Board office of the Company before 4:30 p.m. on Monday, 22 June 2026 (Email: hj600547@163.com; Phone number: 0531-67710376).